NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS OF ARIZONA SONORAN COPPER COMPANY INC.

TO BE HELD ON MAY 11, 2026

AND

MANAGEMENT INFORMATION CIRCULAR

with respect to an

ARRANGEMENT

involving

ARIZONA SONORAN COPPER COMPANY INC.

and

HUDBAY MINERALS INC.

AFTER CAREFUL CONSIDERATION, AND FOLLOWING THE UNANIMOUS RECOMMENDATION OF THE INDEPENDENT DIRECTORS, THE BOARD OF DIRECTORS OF ARIZONA SONORAN COPPER COMPANY INC. HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS IN THE BEST INTERESTS OF THE COMPANY AND IS FAIR TO THE SHAREHOLDERS (OTHER THAN HUDBAY MINERALS INC. AND ITS AFFILIATES). ACCORDINGLY,

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE

FOR

THE ARRANGEMENT RESOLUTION AT THE COMPANY MEETING.

April 7, 2026

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult with your broker, investment dealer, lawyer or other professional advisor. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful.

Your vote is very important regardless of the number of securities you own. We urge you to vote using the enclosed form of proxy or voting instruction form, even if you are able to attend the meeting. Please carefully follow the instructions provided to vote your securities. If you have any questions or need assistance voting your securities, please contact the proxy solicitation agent:

Shorecrest Group Ltd.
North American Toll-Free: 1-888-637-5789
Calls Outside North America: 647-931-7454
Email: contact@shorecrestgroup.com

LETTER TO SECURITYHOLDERS

April 7, 2026

Dear Securityholders:

The board of directors (the "**Board**") of Arizona Sonoran Copper Company Inc. (the "**Company**") invites you to attend the special meeting (the "**Company Meeting**") of the holders of common shares in the capital of the Company ("**Common Shares**"), the holders of options to purchase Common Shares ("**Options**"), the holders of deferred share units of the Company ("**DSUs**") and the holders of restricted share units of the Company ("**RSUs**", and collectively with the Common Shares, Options and DSUs, "**Securities**"), to be held on May 11, 2026 at 1:00 p.m. (Toronto time). The Company Meeting will be a virtual-only meeting conducted via live audio webcast online at https://virtual-meetings.tsxtrust.com/1920. We believe hosting the Company Meeting virtually will enable increased Securityholder attendance from different geographic locations and will encourage more active Securityholder engagement and participation at the Company Meeting.

The Arrangement

As set out in the attached notice of meeting, holders of Common Shares (each, a "**Shareholder**"), holders of Options (each, an "**Optionholder**"), holders of DSUs (each, a "**DSU Holder**") and holders of RSUs (each, an "**RSU Holder**", and collectively with the Shareholders, the Optionholders and the DSU Holders, the "**Securityholders**") will be asked to consider and, if deemed advisable, pass a special resolution (the "**Arrangement Resolution**") to approve a proposed arrangement (the "**Arrangement**"), in accordance with the terms of an arrangement agreement (the "**Arrangement Agreement**") entered into between the Company and Hudbay Minerals Inc. ("**Hudbay**") on March 1, 2026, pursuant to which Hudbay agreed to acquire all of the issued and outstanding Common Shares that it does not already own by way of a statutory plan of arrangement (the "**Plan of Arrangement**") pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia).

Under the terms of the Arrangement Agreement, which was negotiated at arm's length, each Shareholder (other than those Shareholders who have properly and validly exercised their dissent rights as described herein and Hudbay or any of its affiliates) will receive 0.242 of a common share in the capital of Hudbay (the "**Hudbay Shares**") for each Common Share held immediately prior to the Effective Time (as defined herein) or, in the case of Optionholders, DSU Holders and RSU Holders, Common Shares held following the Effective Time following the completion of the steps described below, subject to adjustment pursuant to the Arrangement Agreement (the "**Consideration**").

Pursuant to the Plan of Arrangement:

(a) each Option outstanding immediately prior to 12:01 a.m. (Vancouver time) (the "**Effective Time**") on the date that the Arrangement is completed (the "**Effective Date**") shall be transferred to the Company in exchange for an amount, which amount cannot be less than zero, equal to (i) the volume weighted average share price of the Common Shares on the TSX for the five trading days ending on the trading day immediately preceding the date that is three business days prior to the Effective Date (the "**Company Share Value**"), minus (ii) the exercise price of such Option, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any tax withholding obligations in respect of such Option in accordance with the Plan of Arrangement) and in part by the Company issuing Common Shares;

(b) each DSU outstanding immediately prior to the Effective Time on the Effective Date shall be transferred to the Company in exchange for an amount equal to the product of (i) the number of Common Shares underlying such DSU and (ii) the Company Share Value, which amount shall be paid in part in cash (which shall be used to satisfy

the amount of any tax withholding obligations in respect of such DSU in accordance with the Plan of Arrangement) and in part by the Company issuing Common Shares; and

(c) each RSU outstanding immediately prior to the Effective Time on the Effective Date shall be transferred to the Company in exchange for an amount equal to the product of (i) the number of Common Shares underlying such RSU and (ii) the Company Share Value, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any tax withholding obligations in respect of such RSU in accordance with the Plan of Arrangement) and in part by the Company issuing Common Shares.

The Consideration implies a value of $9.35 per Common Share based on the closing price of the Hudbay Shares on the Toronto Stock Exchange ("**TSX**") on February 27, 2026, being the final trading day prior to the date of the Arrangement Agreement, and represents a premium of 30% to the Company's closing share price for the Common Shares on February 27, 2026. The Consideration implies a premium of 36% based on the 20-day volume weighted average price of Common Shares and Hudbay Shares on the TSX for the period ending February 27, 2026.

If consummated, the Arrangement would result in the Company being a wholly-owned subsidiary of Hudbay and existing Shareholders owning approximately 11% of Hudbay based on the number of Hudbay Shares and Common Shares issued and outstanding as of the date of the Arrangement Agreement.

Approval Requirements

To become effective, the Arrangement Resolution must be approved at the Company Meeting by the affirmative vote of at least: (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held; (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held, one vote for each Common Share that an Optionholder would have received on a valid exercise of such Optionholder's Options, one vote for each Common Share that a DSU Holder would have received on a valid settlement of such DSU Holder's DSUs and one vote for each Common Share that an RSU Holder would have received on a valid settlement of such RSU Holder's RSUs; and (iii) a majority of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting, voting as a single class, on the basis of one vote per Common Share held, excluding for this purpose the votes required to be excluded by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (the "**Minority Approval Vote**"). To the knowledge of the directors of the Company, after reasonable inquiry, as of the close of business on March 25, 2026, being the record date for the determination of those Securityholders entitled to vote at the Company Meeting (the "**Record Date**"), the votes attached to the 1,367,353 Common Shares beneficially owned or controlled or directed by George Ogilvie, Chief Executive Officer and President of the Company, representing approximately 0.66% of the issued and outstanding Common Shares, will be excluded from the Minority Approval Vote.

The completion of the Arrangement is also conditional upon and subject to customary closing conditions, including, but not limited to, the receipt of all requisite regulatory and Court approvals.

Support Agreements

The directors, officers and other members of management of the Company, holding in the aggregate approximately 1.17% of the issued and outstanding Common Shares and approximately 4.75% of the issued and outstanding Securities that will have voting rights at the Company Meeting, in each case as of the Record Date, have entered into voting and support agreements with Hudbay (each, a "**Support Agreement**"), pursuant to which, among other things, each such director, officer or other member of management of the Company has agreed to vote or cause to be voted all of the Securities held or controlled thereby in favour of the Arrangement Resolution.

Recommendation of the Board

After careful consideration, including a thorough review of the terms of the Arrangement and the Arrangement Agreement and receipt of the Fairness Opinions (as defined in the enclosed management information circular), and after consultation with management and its financial and legal advisors and taking into consideration, among other things, such other matters

considered relevant, including the factors described under the heading "*The Arrangement – Reasons for the Arrangement*", and following the unanimous recommendation of the independent directors of the Company, the Board unanimously determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders (other than Hudbay and its affiliates). **Accordingly, the Board unanimously approved the Arrangement and the Arrangement Agreement and unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

Reasons for the Arrangement

In the course of their respective evaluations, the independent directors of the Company and the Board carefully considered a variety of factors with respect to the Arrangement including, among others, the following:

(a) **Immediate and Significant Premium to Shareholders.** The Consideration implies a value of $9.35 per Common Share based on the closing price of the Hudbay Shares on the TSX as at February 27, 2026, and represents a premium of 30% to the closing price of the Common Shares on the TSX as at February 27, 2026 and a premium of 36% based on the 20-day volume-weighted average price of the Common Shares on the TSX as at February 27, 2026, being the last trading day prior to the entering into of the Arrangement Agreement.

(b) **Exposure to a Diversified and High-Quality Asset Portfolio.** The Arrangement provides Securityholders with the opportunity to retain exposure to the Cactus Project, while also gaining exposure to Hudbay's established, Americas-focused and diversified asset base with its robust operating platform, assets generating meaningful free cash flow and a strong pipeline of copper growth projects.

(c) **Reduced Execution and Financing Risk of the Cactus Project Development.** The Company's strong local relationships in Arizona combined with Hudbay's established business and proven ability to develop and operate large-scale copper projects and the operational synergies realized through combining operations in the same region reduce overall execution risk for the development of the Cactus Project. In addition, Hudbay's well-capitalized balance sheet and ability to generate meaningful cash flow reduce the risk that extensive dilutive financing would be required to finance the development of the Cactus Project. In making this assessment, the independent directors of the Company and the Board considered, among other things, the current and anticipated future opportunities, needs and risks associated with the financing and development of the Cactus Project by the Company as an independent public entity.

(d) **Improved Capital Markets Visibility and Trading Liquidity.** Hudbay is a well-established operating company listed on both the TSX and the New York Stock Exchange. Securityholders will gain ownership in a larger, significantly more liquid and diversified operating company in Hudbay with broader analyst coverage, enhanced access to capital markets and consistent dividend payments.

A detailed description of the various factors that the independent directors of the Company and the Board considered and relied upon and further information on the reasons for the unanimous recommendations of the independent directors of the Company and the Board can be found under "*The Arrangement – Reasons for the Arrangement*" in the enclosed management information circular.

Voting Your Eligible Securities

The Board wishes to convey the importance of the Company Meeting. Your vote is very important regardless of the number of Securities you own. Regardless of whether you attend the Company Meeting, you are urged to vote in advance electronically by following the instructions set out in the form of proxy or voting instruction form, as applicable, and in the enclosed management information circular. To be effective, completed forms of proxy must be received by the Company's registrar and transfer agent, TSX Trust Company, (i) by mail addressed to TSX Trust Company, Proxy Voting Department, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1; (ii) online at www.voteproxyonline.com; (iii) by email at tsxtrustproxyvoting@tmx.com; (iv) by fax to 416-595-9593; or (v) by hand delivery to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than 1:00 p.m. (Toronto time) on May 7, 2026, or if the Company Meeting is postponed or adjourned, no later than two business days (excluding Saturdays, Sundays and statutory holidays in British Columbia) immediately preceding the time of the Company Meeting (as it may be adjourned or postponed from time to time).

If your Common Shares are held through an intermediary, such as a bank or a broker, you will most likely receive a voting instruction form to instruct your intermediary how to vote your Common Shares. Please follow the instructions provided by your intermediary to vote your Common Shares in advance of the deadline provided by your intermediary.

We also encourage registered Shareholders to complete, sign, date and return the accompanying letter of transmittal in accordance with the instructions therein so that, if the Arrangement is approved, delivery of the Consideration for such Shareholder's Common Shares can be sent to you as soon as possible following the implementation of the Arrangement. Non-registered (beneficial) Shareholders will not receive a letter of transmittal and should contact their intermediary for questions with respect to their Consideration.

If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your proxy, please contact the Company's proxy solicitation agent, Shorecrest Group Ltd., by telephone at 1-888-637-5789 (North American toll-free) or 647-931-7454 (calls outside North America), or by email at contact@shorecrestgroup.com. If you have any questions about submitting your Common Shares for the Arrangement, including, in the case of registered Shareholders, with respect to completing the letter of transmittal, please contact the Depositary, TSX Trust Company, at 1-866-600-5869 (North American toll-free) or +1 416-342-1091 (calls outside North America), or by email at tsxtis@tmx.com.

On behalf of the Company, we would like to thank Securityholders for their continued support and we look forward to receiving your endorsement for this transaction at the Company Meeting.

Yours very truly,

(signed) "David Laing"

David Laing
Chairman

NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS

TAKE NOTICE that a special meeting (the "**Company Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") in the capital of **ARIZONA SONORAN COPPER COMPANY INC.** (the "**Company**"), the holders of options to purchase Common Shares ("**Optionholders**"), the holders of deferred share units of the Company ("**DSU Holders**") and the holders of restricted share units of the Company ("**RSU Holders**", and collectively with Shareholders, Optionholders and DSU Holders, "**Securityholders**") will be held in a virtual-only format conducted via live audio webcast online on May 11, 2026 at 1:00 p.m. (Toronto time) for the following purpose:

1. to consider, in accordance with the interim order (the "**Interim Order**") of the Supreme Court of British Columbia (the "**Court**") dated April 2, 2026, and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix "A" of the accompanying management information circular (the "**Circular**"), approving a statutory plan of arrangement (the "**Plan of Arrangement**") involving the Company and Hudbay Minerals Inc. pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") (the "**Arrangement**"), all as more particularly described in the Circular; and

2. to transact such other business as may be properly brought before the Company Meeting or any adjournments or postponements thereof.

The board of directors of the Company unanimously recommends that Shareholders vote **FOR** the Arrangement Resolution.

The record date for the determination of those Securityholders entitled to receive this Notice of Special Meeting of Securityholders (the "**Notice of Special Meeting**") and to vote at the Company Meeting is the close of business on March 25, 2026 (the "**Record Date**"). Only persons who were Securityholders as of the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Company Meeting.

Accompanying this Notice of Special Meeting is the Circular. The Company Meeting will take place in a virtual-only format conducted via live audio webcast online at https://virtual-meetings.tsxtrust.com/1920. As such, registered holders of Common Shares ("**Registered Shareholders**") and holders of Options, DSUs and RSUs (collectively, "**Incentive Securityholders**") will not be able to attend the Company Meeting in person and the Company strongly encourages all Registered Shareholders and Incentive Securityholders who wish to attend and participate in the Company Meeting to carefully follow the procedures described in the accompanying Circular to ensure they can attend and participate in the Company Meeting virtually. We believe hosting the Company Meeting virtually will enable increased Securityholder attendance from different geographic locations and will encourage more active Securityholder engagement and participation at the Company Meeting.

Securityholders who are unable to be present virtually at the Company Meeting must follow the instructions on the form of proxy or voting instruction form ("**VIF**"), as applicable. To be effective, completed forms of proxy must be received by the Company's registrar and transfer agent, TSX Trust Company, (i) by mail addressed to TSX Trust Company, Proxy Voting Department, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1; (ii) online at www.voteproxyonline.com; (iii) by email at tsxtrustproxyvoting@tmx.com; (iv) by fax to 416-595-9593; or (v) by hand delivery to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than 1:00 p.m. (Toronto time) on May 7, 2026, or if the Company Meeting is postponed or adjourned, no later than two business days (excluding

Saturdays, Sundays and statutory holidays in British Columbia) immediately preceding the time of the Company Meeting (as it may be adjourned or postponed from time to time).

Time is of the essence. It is recommended that you vote by internet, email or fax to ensure that your vote is received before the Company Meeting. To cast your vote by internet, email or fax please have your form of proxy in hand and carefully follow the instructions contained therein. Your internet, email or fax vote authorizes the named proxies to vote your Securities in the same manner as if you mark, sign and return your form of proxy. If you vote by internet, email or fax, your vote must be received on or before 1:00 p.m. (Toronto time) on May 7, 2026.

A Registered Shareholder or Incentive Securityholder has the right to appoint a person (who need not be a Securityholder) as his, her or its nominee to virtually attend and act for such Registered Shareholder or Incentive Securityholder and on his, her or its behalf at the Company Meeting other than a director or senior officer of the Company designated in the enclosed form of proxy. Such right may be exercised by the Registered Shareholder or Incentive Securityholder by inserting in the blank space provided for that purpose, the full name of his, her or its nominee and striking out the names of the persons now designated, and delivering the completed and executed form of proxy to the Company's transfer agent and registrar, TSX Trust Company, (i) by mail addressed to TSX Trust Company, Proxy Voting Department, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1; (ii) online at www.voteproxyonline.com; (iii) by email at tsxtrustproxyvoting@tmx.com; (iv) by fax to 416-595-9593; or (v) by hand delivery to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than two business days (excluding Saturdays, Sundays and statutory holidays in British Columbia) before the time fixed for the Company Meeting or any adjournment or postponement thereof.

Securityholders who wish to appoint a person other than a director or senior officer of the Company identified in the form of proxy or VIF (including a non-registered Shareholder (a "**Non-Registered Shareholder**") who wishes to appoint themselves as proxyholder to attend and vote at the virtual Company Meeting) must carefully follow the instructions in this Circular and on their form of proxy or VIF. These instructions include the additional step of registering such proxyholder with the Company's transfer agent, TSX Trust Company, after submitting the form of proxy or VIF, by completing an electronic form at https://tsxtrust.com/resource/en/75 and emailing the form to tsxtrustproxyvoting@tmx.com by no later than 1:00 p.m. (Toronto time) on May 7, 2026.

Failing to register your proxyholder with TSX Trust Company will result in the proxyholder not receiving a control number, which is required to vote at the virtual Company Meeting. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust Company in accordance with the instructions in this Circular will be able to attend and listen to the virtual Company Meeting as a guest but will not be able to vote, ask questions or otherwise participate in any discussions at the virtual Company Meeting.

For Registered Shareholders and Incentive Securityholders, this additional step of registering with TSX Trust Company is not required as the control number is located on the form of proxy accompanying this Circular.

Registered Shareholders as of both the Record Date and as of the deadline for exercising Dissent Rights (as defined in the Circular) have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid (subject to applicable withholdings) the fair value of their Common Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement. A Registered Shareholder as of both the Record Date and the deadline for exercising Dissent Rights wishing to exercise rights of dissent with respect to the Arrangement must (i) send to the Company a written notice of dissent to the Arrangement Resolution, which written notice of dissent must be received by the Company c/o Osler, Hoskin & Harcourt LLP, Suite 3000 – 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1K8, Attention: Teresa Tomchak, by no later than 4:00 p.m. (Vancouver time) on May 7, 2026 or by 4:00 p.m. (Vancouver time) on the second business day immediately preceding the date that any adjourned or postponed Company Meeting is reconvened, and (ii) otherwise strictly comply with the dissent procedures set forth in Sections 237 and 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, and described in "*The Arrangement – Dissenting Shareholders' Rights*" in the Circular. Copies of the Plan of Arrangement, the Interim Order and the text of Section 237 to 247 of the BCBCA, are set forth in Appendix "B", Appendix "C" and Appendix "H", respectively, of

the Circular. It is recommended that you seek independent legal advice if you wish to exercise a right of dissent. Failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, may result in the loss of any right of dissent.

Securityholders who would like additional copies of the accompanying Circular or have additional questions or require assistance, please contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 (North American toll-free) or 647-931-7454 (calls outside North America), or by email at contact@shorecrestgroup.com.

DATED at Toronto, Ontario, this 7th day of April, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "David Laing"

David Laing
Chairman

FREQUENTLY ASKED QUESTIONS
ABOUT THE ARRANGEMENT AND THE COMPANY MEETING

*The following are some questions that you, as a Securityholder, may have relating to the Arrangement and the Company Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Arrangement or the Company Meeting and are qualified in their entirety by the more detailed information contained elsewhere in, or incorporated by reference into, the accompanying management information circular dated April 7, 2026 (the "**Circular**"). You are urged to read the Circular in its entirety before making a decision related to your Securities. All capitalized terms used herein have the meanings ascribed to them in the "Glossary of Terms" of the Circular. The following contains forward-looking information. Readers are cautioned that actual results may vary. For further details, see "Cautionary Note Regarding Forward-Looking Statements" in the Circular.*

QUESTIONS RELATING TO THE ARRANGEMENT

Q: Why did I receive this package of information?

A: On March 1, 2026, the Company entered into the Arrangement Agreement with Hudbay, pursuant to which, among other things, Hudbay has agreed to acquire all of the issued and outstanding Common Shares (other than Common Shares already owned by Hudbay or its affiliates and any Dissent Shares) pursuant to the Arrangement. The Arrangement is subject to, among other things, obtaining the Securityholder Approval. As a Securityholder as at the close of business on the Record Date, being March 25, 2026, you are entitled to receive notice of and to vote at the Company Meeting. The Company is soliciting your proxy, or vote, and providing this Circular in connection with that solicitation.

Q: What am I voting on?

A: Securityholders are being asked to consider and, if deemed advisable, to vote **FOR** the Arrangement Resolution approving the Arrangement which, among other things, and if all other conditions are satisfied or waived, will result in the acquisition by Hudbay of all of the outstanding Common Shares other than Common Shares already owned by Hudbay or its affiliates and any Dissent Shares.

Q: What will the Securityholders receive in the Arrangement?

A: Shareholders (other than Dissenting Shareholders and Hudbay or its affiliates) will be entitled to receive the Consideration, which is equal to 0.242 of a Hudbay Share in exchange for each Common Share held immediately prior to the Effective Time, or in the case of Incentive Securityholders, Common Shares held following the Effective Time following the completion of the steps described below, subject to adjustment pursuant to the Arrangement Agreement.

Pursuant to the Plan of Arrangement:

(a) each Option outstanding immediately prior to the Effective Time on the Effective Date shall be transferred to the Company in exchange for an amount, which amount cannot be less than zero, equal to (i) the Company Share Value, minus (ii) the exercise price of such Option, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such Option in accordance with the Plan of Arrangement) and in part by the Company issuing Common Shares;

(b) each DSU outstanding immediately prior to the Effective Time on the Effective Date shall be transferred to the Company in exchange for an amount equal to the product of (i) the number of Common Shares underlying such DSU and (ii) the Company Share Value, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such DSU in accordance with the Plan of Arrangement) and in part by the Company issuing Common Shares; and

(c) each RSU outstanding immediately prior to the Effective Time on the Effective Date shall be transferred to the Company in exchange for an amount equal to the product of (i) the number of Common Shares underlying such RSU and (ii) the Company Share Value, which amount shall be paid in part in cash (which shall be used to

satisfy the amount of any Tax withholding obligations in respect of such RSU in accordance with the Plan of Arrangement) and in part by the Company issuing Common Shares.

For additional information, please see "*The Arrangement – Plan of Arrangement*" and "*The Arrangement – Exchange of Securities – Treatment of Options, DSUs and RSUs*" in this Circular.

Q: How do I receive my Consideration under the Arrangement as a Shareholder?

A: Each Registered Shareholder must complete the accompanying Letter of Transmittal to receive the Consideration for such Shareholder's Common Shares. A non-registered Shareholder ("**Non-Registered Shareholder**") will not receive a Letter of Transmittal and should contact their Intermediary for questions with respect to their Consideration.

For additional information, including information regarding how the Depositary will send you the Consideration, please see "*The Arrangement – Exchange of Securities*" in this Circular.

Q: When can I expect to receive the Consideration?

A: Registered Shareholders

Registered Shareholders will receive their Consideration as soon as practical after the Effective Date. Assuming due delivery of the required documentation, including the applicable certificate(s) or DRS Advice(s) representing Common Shares and a duly and properly completed Letter of Transmittal together with any such additional documents and instruments as the Depositary may reasonably require, Hudbay will cause the Depositary to forward the certificate(s) or DRS Advice(s) representing Hudbay Shares, as applicable, to which the Registered Shareholders are entitled by first class mail or be held for pick-up at the offices of the Depositary, in accordance with the instructions provided by each Registered Shareholder.

The method used to deliver the Letter of Transmittal and any accompanying certificate(s) or DRS Advice(s) representing Common Shares is at the option and risk of the Registered Shareholder and delivery will be deemed effective only when such documents are actually received. The safest way to deliver the necessary documentation to the Depositary is by hand delivery at its office(s) specified on the last page of the Letter of Transmittal and obtaining a receipt. Otherwise, the Company recommends the use of registered mail or courier with return receipt requested, properly insured, is recommended.

Shareholders who do not deliver their certificate(s) or DRS Advice(s) representing Common Shares and all other required documents to the Depositary on or before the date which is six years after the Effective Date will lose their right to receive the Consideration for their Common Shares. See "*The Arrangement – Exchange of Securities – Extinction of Rights*" in this Circular.

For additional information, including information regarding how the Depositary will send you the Consideration, please see "*The Arrangement – Exchange of Securities*" in this Circular.

Non-Registered Shareholders

If you are a Non-Registered Shareholder and hold your Common Shares through an Intermediary, assuming completion of the Arrangement, then you are not required to take any action and the Consideration you are entitled to receive will be delivered to your Intermediary through procedures in place for such purposes between TSX Trust Company or similar entities and such Intermediaries. A Non-Registered Shareholder whose Common Shares are held through an Intermediary and are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in depositing those Common Shares.

Q: Can I exercise my vested Options prior to the Effective Date?

A: Optionholders who intend to exercise vested Options in advance of the Effective Date are encouraged to do so as soon as possible and, in any event, at least five business days prior to the Effective Date. Please see "*The Arrangement – Plan*

of Arrangement" and "*The Arrangement – Exchange of Securities – Treatment of Options, DSUs and RSUs*" in this Circular.

Q: What is the recommendation of the Board? Why is the Board making this recommendation?

A: After careful consideration, including a thorough review of the terms of the Arrangement and the Arrangement Agreement and receipt of the Fairness Opinions, and after consultation with management and its financial and legal advisors and taking into consideration, among other things, such other matters considered relevant, including the factors described under the heading "*The Arrangement – Reasons for the Arrangement*", and following the unanimous recommendation of the Independent Directors, the Board unanimously determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders (other than Hudbay and its affiliates). **Accordingly, the Board unanimously approved the Arrangement and the Arrangement Agreement and unanimously recommends that Shareholders vote <u>FOR</u> the Arrangement Resolution.**

The following are some of the principal reasons for the recommendation:

- **Immediate and Significant Premium to Shareholders.** The Consideration implies a value of $9.35 per Common Share based on the closing price of the Hudbay Shares on the TSX as at February 27, 2026, and represents a premium of 30% to the closing price of the Common Shares on the TSX as at February 27, 2026 and a premium of 36% based on the 20-day volume-weighted average price of the Common Shares on the TSX as at February 27, 2026, being the last trading day prior to the entering into of the Arrangement Agreement.

- **Exposure to a Diversified and High-Quality Asset Portfolio.** The Arrangement provides Securityholders with the opportunity to retain exposure to the Cactus Project, while also gaining exposure to Hudbay's established, Americas-focused and diversified asset base with its robust operating platform, assets generating meaningful free cash flow and a strong pipeline of copper growth projects.

- **Reduced Execution and Financing Risk of the Cactus Project Development.** The Company's strong local relationships in Arizona combined with Hudbay's established business and proven ability to develop and operate large-scale copper projects and the operational synergies realized through combining operations in the same region reduce overall execution risk for the development of the Cactus Project. In addition, Hudbay's well-capitalized balance sheet and ability to generate meaningful cash flow reduce the risk that extensive dilutive financing would be required to finance the development of the Cactus Project. In making this assessment, the Independent Directors and the Board considered, among other things, the current and anticipated future opportunities, needs and risks associated with the financing and development of the Cactus Project by the Company as an independent public entity.

- **Improved Capital Markets Visibility and Trading Liquidity.** Hudbay is a well-established operating company listed on both the TSX and NYSE. Securityholders will gain ownership in a larger, significantly more liquid and diversified operating company in Hudbay with broader analyst coverage, enhanced access to capital markets and consistent dividend payments.

- **Independent Fairness Opinion.** The Independent Directors and the Board have received an independent fairness opinion provided by Origin, which states that, as of March 1, 2026, based upon and subject to the assumptions, explanations and limitations contained therein, the Consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders (other than Hudbay and its affiliates). See "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*" in this Circular. The full text of the Independent Fairness Opinion is attached as Appendix "D" to this Circular. Securityholders are urged to read the Independent Fairness Opinion in its entirety.

- **Financial Advisor Fairness Opinion.** The Independent Directors and the Board have received the fairness opinion provided by Scotiabank, which states that, as of March 1, 2026, based upon and subject to the assumptions, qualifications and limitations contained therein, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders other than Hudbay and its affiliates. See "*The Arrangement – Fairness Opinions – Financial Advisor Fairness Opinion*" in this Circular. The full text of the

Financial Advisor Fairness Opinion is attached as Appendix "E" to this Circular. Securityholders are urged to read the Financial Advisor Fairness Opinion in its entirety.

- **Tax Treatment.** The Consideration payable to Shareholders by Hudbay is exclusively payable in Hudbay Shares. The exchange of Common Shares for Hudbay Shares under the Arrangement is intended to be a tax deferred transaction for Canadian and United States federal income tax purposes. However, as discussed further in "*Certain United States Federal Income Tax Considerations*" in this Circular, if the Company is treated as a passive foreign investment company with respect to a U.S. Holder, then absent an applicable exception or election (which are described below), under proposed U.S. Treasury Regulations certain U.S. Holders may recognize gain on the Arrangement under the rules applicable to excess distributions and dispositions of PFIC stock, regardless of whether the Arrangement otherwise qualifies as a reorganization for U.S. federal income tax purposes. Shareholders should consult "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*" in this Circular.

- **Support of Directors, Officers and Other Management.** The directors, officers and other members of management of the Company, who together hold an aggregate of approximately 1.17% of the outstanding Common Shares and approximately 4.75% of the outstanding Securities that will have voting rights at the Company Meeting, in each case as of the Record Date, have entered into the Support Agreements pursuant to which, and subject to the terms thereof, they have agreed, among other things, to vote their respective Securities in favour of the Arrangement Resolution.

For a more detailed description of the various factors that the Independent Directors and the Board considered and relied upon and for additional information on the reasons for the unanimous recommendation of the Independent Directors and the Board Recommendation, please see "*The Arrangement – Reasons for the Arrangement*" in this Circular.

Q: Who intends to support the Arrangement Resolution?

A: Each of the Supporting Securityholders has entered into a Support Agreement with Hudbay, pursuant to which, among other things, each Supporting Securityholder has agreed to vote or cause to be voted all Securities held or controlled thereby, in favour of the Arrangement Resolution.

For more information, please see "*The Arrangement – Support Agreements*" in this Circular.

Q: In addition to the approval of Securityholders, are there any other approvals required for the Arrangement?

A: Yes, the Arrangement requires the approval of the Court, the TSX and NYSE and is subject to certain regulatory approvals or filing requirements, including Competition Act Clearance, CFIUS Clearance and ICA Clearance. On March 17, 2026, the TSX conditionally approved the listing of the Consideration Shares, and on April 1, 2026, the TSX conditionally approved the Arrangement, in each case subject to filing certain documents following the closing of the Arrangement. Hudbay will seek the authorization of the NYSE to list the Consideration Shares, with such authorization to be obtained prior to the closing of the Arrangement. Delisting of the Common Shares following completion of the Arrangement will be subject to the satisfaction of customary delisting requirements of the TSX. See "*The Arrangement – Court Approval of the Arrangement*" and "*The Arrangement – Regulatory and Securities Law Matters*" in this Circular.

Q: Are Hudbay Shareholders required to approve the Arrangement?

A: No. The completion of the Arrangement is not conditional upon approval by Hudbay Shareholders.

Q: What if Securityholders do not approve the Arrangement Resolution?

A: If the Arrangement Resolution is not approved by the Securityholders, the Arrangement will not be completed. Either the Company or Hudbay may terminate the Arrangement Agreement if the Securityholder Approval is not obtained by the Outside Date. For additional information, please see "*The Arrangement Agreement – Conditions to Closing*" and "*The Arrangement Agreement – Termination of the Arrangement Agreement*" in this Circular.

Q: What if the Court does not approve the Arrangement?

A: If the approval of the Court is not obtained prior to the Outside Date, the Arrangement will not be completed, even if Securityholders approve the Arrangement Resolution. For additional information, please see "*The Arrangement Agreement – Conditions to Closing*" in this Circular.

Q: Do any directors or senior officers of the Company have any interests in the Arrangement that are different from, or in addition to, those of the Securityholders?

A: In considering the Board Recommendation, you should be aware that some of the directors and senior officers of the Company have certain interests in the Arrangement that are different from, or in addition to, the interests of Securityholders generally, including that they have Incentive Securities that will also be exchanged in accordance with the Arrangement. For additional information, please see "*The Arrangement – Interests of Certain Persons in the Arrangement*" in this Circular.

Q: How will I know when the Arrangement will be implemented?

A: The Effective Date will occur upon satisfaction or waiver of all of the conditions to the completion of the Arrangement. If the Securityholder Approval is obtained at the Company Meeting, the approvals of the Court, the TSX and the NYSE are obtained and the Specified Regulatory Approvals are obtained, the Effective Date is expected to occur in the second quarter of 2026. On the Effective Date, the Company and Hudbay will publicly announce that the conditions have been satisfied or waived and that the Arrangement has been completed.

Q: Are there risks I should consider in deciding whether to vote for the Arrangement Resolution?

A: Yes. You should carefully consider the risk factors relating to the Arrangement. Some of these risks include, but are not limited to: (i) the Hudbay Shares issued in connection with the Arrangement may have a market value different than expected; (ii) the market price of the Common Shares may be materially adversely affected in certain circumstances; (iii) there are risks related to the integration of existing businesses of the Company and Hudbay; (iv) the Company is restricted from taking certain actions while the Arrangement is pending; (v) the completion of the Arrangement is uncertain and the Company will incur costs and may have to pay the Termination Payment in certain circumstances if the Arrangement is not completed; (vi) the Termination Payment provided under the Arrangement Agreement may discourage other parties from attempting to acquire the Company; (vii) the Arrangement may divert the attention of the Company's management; (viii) the completion of the Arrangement is subject to conditions precedent including receipt of the Specified Regulatory Approvals; (ix) the Arrangement Agreement may be terminated in certain circumstances; (x) the Arrangement is subject to the approval of the Arrangement Resolution; (xi) directors and senior officers of the Company have interests in the Arrangement that may be different from those of Shareholders generally; (xii) the Company and Hudbay may be the targets of legal claims, securities class action, derivative lawsuits and other claims; (xiii) the exercise of Dissent Rights may result in the Arrangement not being completed; (xiv) tax consequences of the Arrangement may differ from anticipated treatment, including that if the Arrangement does not qualify as a tax-deferred reorganization, some Shareholders may be required to pay substantial U.S. federal income taxes (xv) the announcement and pendency of the Arrangement may adversely impact the Company's existing business relationships; and (xvi) the Company did not pursue a formal auction or other process to solicit potential alternative buyers.

For additional information, please see "*Risk Factors*", Appendix "F" – "*Information Concerning Hudbay*" and Appendix "G" – "*Information Concerning Hudbay Following the Arrangement*" in this Circular.

Q: What are the Canadian federal income tax consequences of the Arrangement?

A: For a summary of certain material Canadian federal income tax consequences of the Arrangement, as may be applicable to certain Shareholders, see "*Certain Canadian Federal Income Tax Considerations*" in this Circular. Such summary is not intended to be legal or tax advice to any particular Shareholder. Securityholders (including Shareholders) should consult their own tax and investment advisors with respect to their particular circumstances.

Q: What are the United States federal income tax consequences of the Arrangement?

A: For a summary of certain material U.S. federal income tax consequences of the Arrangement, as may be applicable to certain Shareholders, see "*Certain United States Federal Income Tax Considerations*" in this Circular. Such summary is not intended to be legal or tax advice to any particular Shareholder. Securityholders (including Shareholders) should consult their own tax and investment advisors with respect to their particular circumstances.

QUESTIONS RELATING TO THE COMPANY MEETING

Q: When and where is the Company Meeting?

A: The Company Meeting will be held on May 11, 2026 at 1:00 p.m. (Toronto time). The Company Meeting will be a virtual-only meeting conducted via live audio webcast online at https://virtual-meetings.tsxtrust.com/1920. If you plan to vote at the Company Meeting, it is important that you are connected to the internet at all times during the Company Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Company Meeting. You should allow ample time to log in to the Company Meeting online and complete the check-in procedures.

Q: Who is soliciting my proxy?

A: Your proxy is being solicited by management of the Company. This Circular is furnished in connection with that solicitation. The Company has retained Shorecrest Group Ltd. as its proxy solicitation agent for assistance in connection with the solicitation of proxies for the Company Meeting. If you have any questions or require any assistance with completing your proxy, please contact Shorecrest Group Ltd. by telephone at 1-888-637-5789 (toll-free within North America) or 647-931-7454 (outside of North America), or by email at contact@shorecrestgroup.com.

Q: Who can attend and vote at the Company Meeting and what is the quorum for the Company Meeting?

A: Registered Shareholders, Incentive Securityholders and duly appointed proxyholders will be able to attend the virtual Company Meeting and vote in real time, provided they are connected to the internet and follow the instructions in this Circular. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust Company in accordance with the instructions in this Circular will be able to attend and listen to the virtual Company Meeting as a guest but will not be able to vote, ask questions or otherwise participate in any discussions at the virtual Company Meeting.

Securityholders who wish to appoint a person other than a director or senior officer of the Company identified in the form of proxy or VIF (including a Non-Registered Shareholder who wishes to appoint themselves as proxyholder to attend and vote at the virtual Company Meeting) must carefully follow the instructions in this Circular and on their form of proxy or VIF. These instructions include the additional step of registering such proxyholder with the Company's transfer agent, TSX Trust Company, after submitting the form of proxy or VIF by completing an electronic form at https://tsxtrust.com/resource/en/75 and emailing this form to tsxtrustproxyvoting@tmx.com by no later than 1:00 p.m. (Toronto time) on May 7, 2026.

Failing to register your proxyholder with TSX Trust Company will result in the proxyholder not receiving a control number, which is required to vote at the virtual Company Meeting. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust Company in accordance with the instructions in this Circular will be able to attend and listen to the virtual Company Meeting as a guest but will not be able to vote, ask questions or otherwise participate in any discussions at the virtual Company Meeting.

For Registered Shareholders and Incentive Securityholders, this additional step of registering with TSX Trust Company is not required as the control number is located on the form of proxy accompanying this Circular.

For all purposes contemplated by this Circular, the quorum for the transaction of business the Company Meeting is two Shareholders entitled to vote at the meeting whether present virtually or by proxy who hold, in the aggregate, at least 5% of the issued and outstanding Common Shares entitled to be voted at the meeting.

Q: How do I vote?

A: You have two ways to vote your Securities:

1. By submitting your form of proxy or VIF as per instructions indicated; or
2. During the Company Meeting by online ballot through the live webcast platform at https://virtual-meetings.tsxtrust.com/1920.

Registered Shareholders, Incentive Securityholders and duly appointed proxyholders (including Non-Registered Shareholders who have duly appointed themselves as proxyholder) that attend the Company Meeting will be able to vote by completing a ballot online during the Company Meeting through the live webcast platform.

Guests (including Non-Registered Shareholders who have not duly appointed themselves as proxyholder) can log into the Company Meeting as set out below. Guests will be able to listen to the Company Meeting but will not be able to vote during the Company Meeting.

Step 1: Log in online at https://virtual-meetings.tsxtrust.com/1920.

Step 2: Follow these instructions:

- **Registered Shareholders and Incentive Securityholders**: Click "***I have a control number/Meeting Access Number***" and then enter your control number and password: "***arizona2026***" (case sensitive). The control number is located on the form of proxy accompanying this Circular. If you use your control number to log in to the virtual Company Meeting, any vote you cast at the virtual Company Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote during the virtual Company Meeting.

- **Duly appointed proxyholders**: Click "***I have a control number/Meeting Access Number***" and then enter your control number and password: "***arizona2026***" (case sensitive). Proxyholders who have been duly appointed and registered with TSX Trust Company as described in this Circular will receive a control number by email from TSX Trust Company after the proxy voting deadline has passed.

- **Guests**: Click "***Guest***" and then complete the online form.

It is your responsibility to ensure internet connectivity for the duration of the virtual Company Meeting and you should allow ample time to log in to the Company Meeting online before it begins.

For additional information, please see "*How do I appoint a third party as my proxyholder?*" below.

Q: How do I participate in and ask questions at the Company Meeting?

A: Registered Shareholders, Incentive Securityholders and proxyholders (including Non-Registered Shareholders who have duly appointed themselves as a proxyholder) who attend the Company Meeting virtually and have properly followed the instructions in this Circular to participate and vote virtually at the Company Meeting will have an opportunity to participate in discussions and ask questions at the Company Meeting during any discussion or question period.

During the Company Meeting, if a Securityholder or proxyholder wishes to engage in a discussion or ask a question, they should select the "***Ask a Question***" icon and type the comment or question within the chat box on the messaging screen and click the "***Ask Now***" button to submit the comment or question to the Chair of the Company Meeting. Comments and questions can be submitted at any time during any discussion or question period during the Company Meeting up until the Chair of the Company Meeting closes such discussion or question period.

Should a Securityholder or proxyholder wish to submit a question to be addressed at the Company Meeting, they can also submit questions in advance of the Company Meeting to contact@shorecrestgroup.com and under subject type "***Arizona Sonoran Special Meeting Questions***".

Regardless of whether comments or questions are submitted during the Company Meeting or in advance as set out above, all submitted comments and questions may be reviewed by the Company through the TSX Trust Company virtual meeting platform before being sent to the Chair of the Company Meeting. It is anticipated that Securityholders will have substantially the same, if not the same, level of opportunity to engage in discussions and ask questions on matters of business before the Company Meeting as in past years when meetings of Shareholders were held in person, provided that such Securityholders have properly followed the instructions in this Circular to participate in the virtual Company Meeting and remain connected to the internet at all relevant times. In the event that there is insufficient time during the Company Meeting for the Company to address all properly submitted questions, Securityholders or proxyholders whose questions were not addressed during the Company Meeting are encouraged to contact the Company at info@arizonasonoran.com.

Q: How do I know if I am a Registered Shareholder or a Non-Registered Shareholder?

A: You may own Common Shares in one or both of the following ways:

- If you are in possession of a physical share certificate or DRS Advice, you are a Registered Shareholder and your name and address are known to us through our transfer agent.
- If you own Common Shares through an Intermediary, you are Non-Registered Shareholder and you will not have a physical share certificate or a DRS Advice. In this case, you will have an account statement from your bank or broker as evidence of your share ownership.

Most Shareholders are Non-Registered Shareholders. Their Common Shares are registered in the name of an Intermediary, such as a bank, trust company, securities broker, trustee, custodian or other nominee who holds Common Shares on their behalf, or in the name of a clearing agency in which the Intermediary is a participant (such as CDS & Co.). Intermediaries have obligations to forward the Company Meeting materials to such Non-Registered Shareholders unless otherwise instructed by the holder (and as required by regulation in some cases, despite such instructions).

For additional information, please see "*General Proxy Information – Voting by Securityholders at the Company Meeting*" in this Circular.

Q: How do I appoint a third party as my proxyholder?

A: **A Registered Shareholder or Incentive Securityholder has the right to appoint a person (who need not be a Securityholder) as his, her or its nominee to virtually attend and act for such Registered Shareholder or Incentive Securityholder and on his, her or its behalf at the Company Meeting other than a director or senior officer of the Company designated in the enclosed form of proxy**. Such right may be exercised by the Registered Shareholder or Incentive Securityholder by inserting in the blank space provided for that purpose, the full name of his, her or its nominee and striking out the names of the persons now designated, and delivering the completed and executed form of proxy to the Company's transfer agent and registrar, TSX Trust Company, (i) by mail addressed to TSX Trust Company, Proxy Voting Department, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1; (ii) online at www.voteproxyonline.com; (iii) by email at tsxtrustproxyvoting@tmx.com; (iv) by fax to 416-595-9593; or (v) by hand delivery to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than two business days (excluding Saturdays, Sundays and statutory holidays in British Columbia) before the time fixed for the Company Meeting or any adjournment or postponement thereof.

Securityholders who wish to appoint a person other than a director or senior officer of the Company identified in the form of proxy or VIF (including a Non-Registered Shareholder who wishes to appoint themselves as proxyholder to attend and vote at the virtual Company Meeting) must carefully follow the instructions in this Circular and on their form of proxy or VIF. These instructions include the additional step of registering such proxyholder with the Company's transfer agent, TSX Trust Company, after submitting the form of proxy or VIF.

Non-Registered Shareholders and proxyholders must also obtain a control number to vote during the virtual Company Meeting. You must complete the additional step of registering the proxyholder by completing an electronic form at https://tsxtrust.com/resource/en/75 and emailing the form to tsxtrustproxyvoting@tmx.com by no later than 1:00 p.m. (Toronto time) on May 7, 2026.

Failing to register your proxyholder with TSX Trust Company will result in the proxyholder not receiving a control number, which is required to vote at the virtual Company Meeting. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust Company in accordance with the instructions in this Circular will be able to attend and listen to the virtual Company Meeting as a guest but will not be able to vote, ask questions or otherwise participate in any discussions at the virtual Company Meeting.

For Registered Shareholders and Incentive Securityholders, this additional step of registering with TSX Trust Company is not required as the control number is located on the form of proxy accompanying this Circular.

For additional information, please see "*General Proxy Information – Appointment of Proxyholder*" in this Circular.

Q: How many Securities are entitled to vote?

A: As at the Record Date, there were 208,741,884 Common Shares, 7,738,267 Options, 713,937 DSUs and 1,024,173 RSUs outstanding and entitled to vote at the Company Meeting. Each Common Share, Option, DSU and RSU entitled to be voted at the Company Meeting will entitle the holder thereof to one vote for each Common Share held, one vote for each Common Share that an Optionholder would have received on a valid exercise of such Optionholder's Options, one vote for each Common Share that a DSU Holder would have received on a valid settlement of such DSU Holder's DSUs and one vote for each Common Share that an RSU Holder would have received on a valid settlement of such RSU Holder's RSUs.

For additional information, please see "*Voting Securities and Principal Holders Thereof*" in this Circular.

Q: What if I acquire ownership of Securities after the Record Date?

A: You will not be entitled to vote Securities acquired after the Record Date on the Arrangement Resolution. Only Securityholders as of the Record Date are entitled to vote their Securities acquired prior to the Record Date on the Arrangement Resolution.

Q: What vote is required at the Company Meeting to approve the Arrangement Resolution?

A: In order to become effective, the Arrangement Resolution must be approved at the Company Meeting by the affirmative vote of at least: (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held; (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held, one vote for each Common Share that an Optionholder would have received on a valid exercise of such Optionholder's Options, one vote for each Common Share that a DSU Holder would have received on a valid settlement of such DSU Holder's DSUs and one vote for each Common Share that an RSU Holder would have received on a valid settlement of such RSU Holder's RSUs; and (iii) a majority of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting, voting as a single class, on the basis of one vote per Common Share held, excluding for this purpose the votes required to be excluded by MI 61-101 (the "**Minority Approval Vote**"). To the knowledge of the directors of the Company, after reasonable inquiry, as of the Record Date, the votes attached to the 1,367,353 Common Shares beneficially owned or controlled or directed by George Ogilvie, Chief Executive Officer and President of the Company, representing approximately 0.66% of the issued and outstanding Common Shares, will be excluded from the Minority Approval Vote.

For additional information, please see "*The Arrangement – Required Securityholder Approval of the Arrangement*" in this Circular.

Q: What if I return my proxy but do not mark it to show how I wish to vote?

A: In the absence of any direction in the proxy, it is intended that such Common Shares, Options, DSUs and RSUs will be voted **FOR** the Arrangement Resolution at the Company Meeting.

Q: When is the cut-off time for delivery of proxies?

A: To be effective, TSX Trust Company must receive your completed form of proxy (i) by mail addressed to TSX Trust Company, Proxy Voting Department, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1; (ii) online at www.voteproxyonline.com; (iii) by email at tsxtrustproxyvoting@tmx.com; (iv) by fax to 416-595-9593; or (v) by hand delivery to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than 1:00 p.m. (Toronto time) on May 7, 2026.

If the Company Meeting is postponed or adjourned, TSX Trust Company must receive your completed form of proxy not less than two business days before the time of the postponed or adjourned Company Meeting. Online, email and fax votes must also be submitted not less than two business days before the time of the postponed or adjourned Company Meeting. The Chair of the Company Meeting, in his or her sole discretion, may accept late proxies or waive the deadline for accepting proxies, with or without notice.

A Non-Registered Shareholder exercising voting rights through an Intermediary should consult the VIF from such Non-Registered Shareholder's Intermediary as the Intermediary may have earlier deadlines.

Q: Am I entitled to Dissent Rights with respect to the Arrangement Resolution?

A: Only Registered Shareholders as of both the close of business on the Record Date and as of the deadline for exercising Dissent Rights have a right to dissent in respect of the Arrangement Resolution. If you are a Registered Shareholder who properly and validly exercises Dissent Rights in accordance with Dissent Procedures with respect to the Arrangement Resolution and the Arrangement Resolution is approved, you will be entitled to be paid (subject to applicable withholdings) the fair value of all, but not less than all, of the Dissent Shares owned by you, calculated as of the close of business on the day before the Arrangement Resolution was adopted. This amount may be the same as, more than, or less than the value of the Consideration per Common Share that will be paid under the Arrangement.

If you wish to dissent, you must (i) ensure that a written notice of dissent is received by the Company c/o Osler, Hoskin & Harcourt LLP, Suite 3000 – 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1K8, Attention: Teresa Tomchak, not later than 4:00 p.m. (Vancouver time) on May 7, 2026 (or by 4:00 p.m. (Vancouver time) on the second business day immediately preceding the date that any adjourned or postponed Company Meeting is reconvened), and (ii) otherwise strictly comply with the Dissent Procedures, as described under "*The Arrangement– Dissenting Shareholders' Rights*".

It is recommended that you read the section entitled "*The Arrangement – Dissenting Shareholders' Rights*" and seek independent legal advice if you wish to exercise a right of dissent. **Failure to strictly comply with the Dissent Procedures may result in the loss of any right of dissent.**

Q: How can I revoke my proxy?

A: A Registered Shareholder or Incentive Securityholder who has given a proxy has the power to revoke it by a signed instrument in writing in the manner provided in the articles of the Company (the "**Articles**") or in any other manner provided by Law any time before it is exercised. The Articles provide that every proxy may be revoked by an instrument in writing that is (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or (2) provided, at the meeting, to the chair of the meeting. The Articles further provide that the chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote. Registered Shareholders and Incentive Securityholders should note that if they participate and vote on any matter at the virtual Company Meeting, they will revoke any previously submitted proxy. Non-Registered Shareholders should follow instructions provided to them by their Intermediary with respect to their VIF.

For additional information, please see "*General Proxy Information – Revocation of Proxies*" in this Circular.

Q: Who can help answer my questions regarding the Arrangement or provide assistance with voting?

A: If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your proxy, please contact the Company's proxy solicitation agent, Shorecrest Group Ltd., by telephone at 1-888-637-5789 (North American toll-free) or 647-931-7454 (calls outside North America), or by email at contact@shorecrestgroup.com.

Securityholders with questions regarding the virtual meeting platform or requiring assistance accessing the Company Meeting website for the Company Meeting should refer to the virtual meeting guide accompanying the Company Meeting materials and the TSX Trust Company's frequently asked questions website at https://www.tsxtrust.com/vagm-faq.

Q: Who can help answer my questions regarding the Letter of Transmittal?

A: If you have any questions about submitting your Common Shares for the Arrangement, including, in the case of Registered Shareholders, with respect to completing the Letter of Transmittal, please contact TSX Trust Company, who is acting as Depositary under the Arrangement, at 1-866-600-5869 (North American toll-free) or +1 416-342-1091 (calls outside North America), or by email at tsxtis@tmx.com.

Q: Who can help answer any other questions I may have?

A: If you have any questions about the other matters described in this Circular, please contact your professional advisor. If you have questions about deciding how to vote, you should contact your own legal, tax, financial or other professional advisor.

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GLOSSARY OF TERMS

In this Circular, the following capitalized words and terms shall have the following meanings:

"**2026 Notes**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Description of Capital Structure – Senior Unsecured Notes*";

"**2029 Notes**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Description of Capital Structure – Senior Unsecured Notes*";

"**Acquisition Proposal**" means, other than the transactions between the Parties and their Subsidiaries contemplated by the Arrangement Agreement, any offer, proposal, expression of interest or inquiry from, or public announcement of intention by, any Person or group of Persons (other than Hudbay or its affiliates), whether written or oral, relating to: (a) any direct or indirect acquisition, sale, disposition, (or any alliance, joint venture, lease, license, long-term supply agreement or other arrangement having the same economic effect as a sale), in a single transaction or series of transactions, of (i) assets of the Company and/or one or more of its Subsidiaries (including shares of Subsidiaries of the Company) that, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenue, as applicable, of the Company and its Subsidiaries, taken as a whole (in each case, determined based upon the most recent publicly available consolidated financial statements of the Company), or (ii) 20% or more of any class of voting or equity securities of the Company or its Subsidiaries; (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company or its Subsidiaries (including securities convertible into or exercisable or exchangeable for voting or equity securities of the Company) then outstanding; (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or other similar transaction involving the Company and/or any of its Subsidiaries; or (d) any other similar transactions or series of transactions involving the Company and/or any of its Subsidiaries;

"**allowable capital loss**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Losses*";

"**Annual Financial Statements and MD&A**" has the meaning ascribed to it in "*Information Concerning the Company – Additional Information*";

"**ARC**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Competition Act Clearance*";

"**Arrangement**" means the arrangement of the Company under the provisions of Part 9, Division 5 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order (with the prior written consent of both the Company and Hudbay, such consent not to be unreasonably withheld, conditioned or delayed);

"**Arrangement Agreement**" means the arrangement agreement dated March 1, 2026, between the Company and Hudbay, including all schedules annexed thereto, together with the Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**Arrangement Resolution**" means the special resolution of the Securityholders approving the Plan of Arrangement, which is to be considered and, if deemed advisable, to be passed at the Company Meeting, substantially in the form and content of Appendix "A" to this Circular;

"**Articles**" means has the meaning ascribed to it in "*General Proxy Information – Revocation of Proxies*";

"**ASUSA**" has the meaning ascribed to it in "*The Arrangement – Interests of Certain Persons in the Arrangement – Change of Control Benefits";*

"**Authorization**" means, with respect to any Person, any authorization, order, permit, approval, grant, agreement, licence, classification, restriction, registration, consent, order, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, bylaw, rule or regulation, having the force of Law, of, from or required by any Governmental Entity having jurisdiction over such Person;

"**Base Case**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*";

"**BCBCA**" means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time;

"**Board**" means the board of directors of the Company as the same is constituted from time to time;

"**Board Recommendation**" means the statement that after careful consideration, including a thorough review of the terms of the Arrangement and the Arrangement Agreement and receipt of the Fairness Opinions, and after consultation with management and its financial and legal advisors and taking into consideration, among other things, such other matters considered relevant, including the factors described under the heading "*The Arrangement – Reasons for the Arrangement*", and following the unanimous recommendation of the Independent Directors, the Board unanimously determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders (other than Hudbay and its affiliates) and unanimously recommends that the Shareholders vote **FOR** the Arrangement Resolution;

"**Broadridge**" has the meaning ascribed to it in "*General Proxy Information – Voting by Securityholders at the Company Meeting – Who is a Non-Registered Shareholder*";

"**business day**" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia;

"**Cactus Project**" means the Company's brownfield copper porphyry project located in Pinal County, Arizona;

"**Cactus Technical Report**" means the technical report of the Company entitled "Cactus Mine Project NI 43-101 Technical Report – Pre-Feasibility Study Pinal County, Casa Grande, Arizona" with an effective date of October 20, 2025;

"**Canada-U.S. Tax Treaty**" means the *Canada-United States Tax Convention (1980)*, as amended;

"**Canadian Securities Authorities**" means the Ontario Securities Commission and any other applicable securities commission and securities regulatory authority of a province or territory of Canada;

"**Canadian Securities Laws**" means the Securities Act, together with all other applicable securities Laws of any province or territory of Canada (including published policies, orders and instruments thereunder);

"**CBCA**" means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time;

"**CFIUS**" means the Committee on Foreign Investment in the United States and each member agency thereof acting in such capacity;

"**CFIUS Clearance**" means that in respect of the transactions contemplated by the Arrangement Agreement: (a) CFIUS has issued a written notice to the Parties that it has concluded all action pursuant to the Defense Production Act of 1950, as amended (the "**DPA**"), and has determined that there are no unresolved national security concerns with respect to the transactions; (b) the Parties have received a written notice from CFIUS that it has determined, pursuant to 31 C.F.R § 800.407(a)(2) that it is not able to conclude action pursuant to the CFIUS Declaration and has not requested that the Parties submit a CFIUS Notice; or (c) CFIUS has submitted a report to the President of the United States (the "**President**") requesting the President's decision regarding the transactions and either (i) the period under the DPA during which the President may announce a decision to take action to suspend, prohibit or place any limitation on the transactions has expired without any action having been taken, or (ii) the President has announced a decision not to take any such action; or (d) CFIUS has issued a written notice that the transactions are not "covered transactions" within the meaning of the DPA;

"**CFIUS Declaration**" means a short-form declaration filing with respect to the transactions contemplated by the Arrangement Agreement submitted to CFIUS by the Parties pursuant to 31 C.F.R. Part 800 Subpart D;

"**CFIUS Notice**" means a joint voluntary notice with respect to the transactions contemplated by the Arrangement Agreement submitted to CFIUS pursuant to 31 C.F.R. Part 800 Subpart E;

"**CFIUS Regulations**" means the Regulations Pertaining to Certain Investments in the United States by Foreign Persons found in 31 C.F.R. Part 800;

"**Change in Recommendation**" has the meaning ascribed to it in "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination by Hudbay*";

"**Circular**" means this management information circular, including all schedules, appendices and exhibits hereto and enclosures herewith, and information incorporated by reference herein, sent to the Securityholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the Arrangement Agreement;

"**Common Shares**" means the common shares in the authorized share capital of the Company;

"**Company**" means Arizona Sonoran Copper Company Inc.

"**Company Material Adverse Effect**" means any one or more changes, effects, events, occurrences or states of fact or circumstance, either individually or in the aggregate, that is, or would reasonably be expected to be, material and adverse to the assets, properties, liabilities (whether absolute, accrued, conditional or otherwise and including any contingent liabilities), business, operations, results of operations, capitalization, or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of fact or circumstance arising in connection with or resulting from or relating to: (a) the announcement of the Arrangement Agreement or the transactions contemplated hereby; (b) any change in the market price or trading volume of any securities of the Company (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Company Material Adverse Effect has occurred); (c) any changes affecting the copper industry; (d) any change (on a current or forward basis) in the price of copper; (e) general economic, financial, currency exchange, inflation, interest rate, securities or commodity market conditions in Canada or the United States, including the imposition or effect of tariffs; (f) any generally applicable change or proposed change in Laws or in the interpretation or application of any Laws by any Governmental Entity; (g) any change in IFRS or changes in applicable regulatory accounting requirements applicable to the industries in which the Company conducts business, or that result from any action taken for the purpose of complying with any of the foregoing; (h) the commencement or continuation of any war, armed hostilities or acts of terrorism; (i) pandemics, epidemics, national health emergencies, forced quarantines, lockdowns or similar events; (j) any natural disaster; (k) the failure of the Company to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings or cash flow before, on or after the date of the Arrangement Agreement (provided, however, that the causes underlying such failure may be considered to determine whether such failure constitutes a Company Material Adverse Effect); or (l) the actions or inactions expressly required by the Arrangement Agreement or that are taken at the direction of (or omitted to be taken) with the prior written consent of Hudbay (provided, that this clause (l) shall not apply with respect to any representation or warranty the purpose of which is to address the consequences resulting from the execution and delivery of the Arrangement Agreement or the consummation of the transactions contemplated by the Arrangement Agreement or the performance of obligations under the Arrangement Agreement); *provided, however,* that with respect to clauses (c) through (j) any such change, effect, event, occurrence or state of facts or circumstances may be taken into account in determining whether a Company Material Adverse Effect has occurred but only to the extent that it has a disproportionate effect on the Company and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which the Company and its Subsidiaries, taken as a whole, operate;

"**Company Meeting**" means the special meeting of Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider, and if deemed advisable, to pass the Arrangement Resolution and for any other purpose as may be set out in this Circular and agreed to in writing by Hudbay;

"**Company Share Value**" means, in respect of the Common Shares, the volume weighted average share price of the Common Shares on the TSX (during continuous trading hours) for the five trading days ending on the trading day immediately preceding the Value Determination Date, calculated by dividing the total Canadian dollar value of the Common Shares traded in such five trading day period on the TSX (during continuous trading hours) by the total number of such shares traded on the TSX (during continuous trading hours) for such five-day trading period;

"**Competition Act**" means the *Competition Act* (Canada);

"**Competition Act Clearance**" means the occurrence of either of the following in respect of the transactions contemplated by the Arrangement Agreement: (a) the Commissioner of Competition shall have issued an ARC; or (b) both (i) the Commissioner of Competition shall have issued a "no-action letter" confirming that he does not intend, at that time, to make an application under section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement, and (ii) either the applicable waiting period under subsection 123(1) of the Competition Act has expired or been terminated under subsection 123(2) of the Competition Act, or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived under subsection 113(c) thereof;

"**Confidentiality Agreement**" means the confidentiality agreement between Hudbay and the Company dated September 12, 2024, as modified by the Hudbay IRA;

"**Consensus Estimates**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*";

"**Consideration**" means the consideration payable pursuant to the Plan of Arrangement, subject to adjustment in the manner and in the circumstances contemplated by the Arrangement Agreement;

"**Consideration Shares**" means the Hudbay Shares to be issued to Shareholders pursuant to the Plan of Arrangement (including, for certainty, any Hudbay Shares to be issued to holders of Options, DSUs and RSUs pursuant to the Plan of Arrangement);

"**Consolidation**" has the meaning ascribed to it in "*Information Concerning the Company – Previous Distributions*";

"**Contract**" means any contract, agreement, license, franchise, lease, arrangement, commitment, binding understanding, joint venture, partnership or other right or obligation (written or oral) and any amendment thereto to which a Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which any of their respective properties or assets is subject;

"**Controlling Individual**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Court**" means the Supreme Court of British Columbia;

"**CRA**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations*";

"**Depositary**" means TSX Trust Company, or such other Person as the Parties may appoint (each acting reasonably) to act as depositary in respect of the Arrangement;

"**Disclosure Letter**" means the disclosure letter dated the date of the Arrangement Agreement, and executed by the Company and delivered to Hudbay concurrently with the execution of the Arrangement Agreement;

"**Dissent Procedures**" means the procedures set forth in Sections 237 and 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement;

"**Dissent Rights**" means the rights of dissent exercisable by the Registered Shareholders that are Registered Shareholders as of both the record date of the Company Meeting and as of the deadline for exercising such Dissent Rights in respect of the

Arrangement under Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement;

"**Dissent Shares**" means all Common Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has properly and validly exercised Dissent Rights;

"**Dissenting Non-Resident Holder**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*";

"**Dissenting Shareholder**" means a Registered Shareholder that is a Registered Shareholder as of both the record date of the Company Meeting and as of the deadline for exercising Dissent Rights who has properly and validly dissented in respect of the Arrangement Resolution in strict compliance with the Dissent Rights, who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and who is ultimately determined to be entitled to be paid the fair value of their Common Shares, but only in respect of the Dissent Shares;

"**DRS Advice**" means the direct registration system advice held by a Shareholder representing such Shareholder's Common Shares;

"**DSU Holder**" means a holder of one or more DSUs;

"**DSU Plan**" means the Directors Deferred Share Unit Plan of the Company effective July 6, 2021;

"**DSU Value**" for a DSU means an amount equal to the product of (i) the number of Common Shares underlying such DSU and (ii) the Company Share Value;

"**DSUs**" means outstanding deferred share units granted under the DSU Plan;

"**EDGAR**" means the Electronic Data Gathering, Analysis, and Retrieval system administered by the SEC;

"**Effective Date**" means the date on which the Arrangement becomes effective in accordance with the Arrangement Agreement;

"**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as the Company and Hudbay may agree upon in writing before the Effective Date;

"**Employment Agreement**" has the meaning ascribed to it in "*The Arrangement – Interests of Certain Persons in the Arrangement – Change of Control Benefits*";

"**Equity Incentive Compensation and Withholding Schedule**" has the meaning ascribed to it in Section 2.9(c) of the Arrangement Agreement;

"**Equity Incentive Plan**" means the amended and restated 2020 Equity Incentive Plan of the Company effective June 21, 2021;

"**Exchange Ratio**" means 0.242 of a Hudbay Share for each Company Share, subject to adjustment pursuant to the Arrangement Agreement;

"**Expense Reimbursement Payment**" has the meaning ascribed to it in "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Event and Termination Payment*";

"**Fairness Opinions**" means, collectively, the Independent Fairness Opinion and the Financial Advisor Fairness Opinion;

"**Final Order**" means the final order of the Court made pursuant to Section 291 of the BCBCA approving the Arrangement, in a form and substance acceptable to the Company and Hudbay, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be

amended, supplemented, modified or varied by the Court (with the prior written consent of both the Company and Hudbay, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such affirmation or amendment is acceptable to both the Company and Hudbay, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Financial Advisor Fairness Opinion**" means the opinion of Scotiabank to the Board dated March 1, 2026, a copy of which is attached in its entirety as Appendix "E" to this Circular;

"**Foreign Tax Credit Regulations**" has the meaning ascribed to it in "*Certain United States Federal Income Tax Considerations – Foreign Tax Credits*";

"**forward-looking statements**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Forward-Looking Statements*";

"**Goodmans**" means Goodmans LLP;

"**Governmental Entity**" means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local, tribal or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, ministry bureau, agency, district or entity, domestic or foreign; (b) the SEC, any Canadian Securities Authority or stock exchange, including the TSX and the NYSE; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**HBMS**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Overview*";

"**Holder**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations*";

"**Hudbay**" means Hudbay Minerals Inc., a corporation existing under the laws of Canada;

"**Hudbay AIF**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Documents Incorporated by Reference*";

"**Hudbay Annual Financial Statements**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Documents Incorporated by Reference*";

"**Hudbay Annual MD&A**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Documents Incorporated by Reference*";

"**Hudbay Board**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Description of Capital Structure – Common Shares*";

"**Hudbay DSUs**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Prior Sales*";

"**Hudbay IRA**" means the investor rights agreement between the Company and Hudbay dated January 31, 2025;

"**Hudbay Material Adverse Effect**" means any one or more changes, effects, events, occurrences or states of fact or circumstance, either individually or in the aggregate, that is, or would reasonably be expected to be, material and adverse to the assets, properties, liabilities (whether absolute, accrued, conditional or otherwise and including any contingent liabilities), business, operations, results of operations, capitalization, or condition (financial or otherwise) of Hudbay and its Subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of fact or circumstance arising in connection with or resulting from or relating to: (a) the announcement of the Arrangement Agreement or the transactions contemplated hereby; (b) any change in the market price or trading volume of any securities of Hudbay (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Hudbay Material Adverse Effect has occurred); (c) any changes affecting the industries in which Hudbay or any of its Subsidiaries

operate; (d) any change (on a current or forward basis) in the price of copper; (e) general economic, financial, currency exchange, inflation, interest rate, securities or commodity market conditions in Canada, Peru or the United States, including the imposition or effect of tariffs; (f) any generally applicable change or proposed change in Laws or in the interpretation or application of any Laws by any Governmental Entity; (g) any change in IFRS or changes in applicable regulatory accounting requirements applicable to the industries in which Hudbay conducts business, or that result from any action taken for the purpose of complying with any of the foregoing; (h) the commencement or continuation of any war, armed hostilities or acts of terrorism; (i) pandemics, epidemics, national health emergencies, forced quarantines, lockdowns or similar events; (j) any natural disaster; (k) the failure of Hudbay to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings or cash flow before, on or after the date of the Arrangement Agreement (provided, however, that the causes underlying such failure may be considered to determine whether such failure constitutes a Hudbay Material Adverse Effect); or (l) the actions or inactions expressly required by the Arrangement Agreement or that are taken at the direction of (or omitted to be taken) with the prior written consent of the Company (provided, that this clause (l) shall not apply with respect to any representation or warranty the purpose of which is to address the consequences resulting from the execution and delivery of the Arrangement Agreement or the consummation of the transactions contemplated by the Arrangement Agreement or the performance of obligations under the Arrangement Agreement); *provided, however,* that with respect to clauses (c) through (j) any such change, effect, event, occurrence or state of facts or circumstances may be taken into account in determining whether a Company Material Adverse Effect has occurred but only to the extent that it has a disproportionate effect on Hudbay and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which Hudbay and its Subsidiaries, taken as a whole, operate;

"**Hudbay Options**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Prior Sales*";

"**Hudbay Peru**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Corporate Structure*";

"**Hudbay PSUs**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Prior Sales*";

"**Hudbay RSUs**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Prior Sales*";

"**Hudbay Shareholders**" means the registered and/or beneficial holders of Hudbay Shares, as the context requires;

"**Hudbay Shares**" means the common shares in the capital of Hudbay;

"**ICA**" means the *Investment Canada Act* (Canada);

"**ICA Clearance**" means that a notification has been filed in respect of the transactions under Part III of the ICA and either (a) the Minister of Industry has not sent to Hudbay a notice under subsection 25.2(1) of the ICA and the Governor in Council has not made an order under subsection 25.3(1) of the ICA in relation to the transactions contemplated by the Arrangement Agreement and the time period for sending such notice or making such an order shall have expired or, (b) if such a notice has been sent or such an order has been made, Hudbay has subsequently received (i) a notice under paragraph 25.2(4)(a) of the ICA indicating that a review of the transactions contemplated by the Arrangement Agreement on grounds of national security will not be made, (ii) a notice under paragraph 25.3(6)(b) of the ICA indicating that no further action will be taken in respect of the transaction contemplated by the Arrangement Agreement or (iii) an order under section 25.4(1) of the ICA indicating that the Governor in Council authorizes the completion of the transactions contemplated by the Arrangement Agreement;

"**IFRS**" means International Financial Reporting Standards;

"**IFRS Accounting Standards**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Non-GAAP Measures*";

"**Incentive Securities**" means, collectively, the Options, DSUs and RSUs;

"**Incentive Securityholders**" means, collectively, the Optionholders, DSU Holders, and RSU Holders;

"**Independent Directors**" means the directors of the Company other than George Ogilvie, Chief Executive Officer and President of the Company;

"**Independent Fairness Opinion**" means the opinion of Origin to the Board dated March 1, 2026, a copy of which is attached in its entirety as Appendix "D" to this Circular;

"**Interim Order**" means the interim order of the Court dated April 2, 2026 made in connection with the Arrangement, as contemplated by Section 2.3 of the Arrangement Agreement, in a form and substance acceptable to the Company and Hudbay, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as the same may be amended, supplemented, modified or varied by the Court (with the prior written consent of both the Company and Hudbay, each acting reasonably), a copy of which is attached as Appendix "C" to this Circular;

"**Intermediary**" means, collectively, a broker, investment dealer, bank, trust company, nominee or other intermediary;

"**IRS**" means the U.S. Internal Revenue Service;

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any Authorization of or from any Governmental Entity, and, for greater certainty, includes Securities Laws, and the term "**applicable**" with respect to such Laws and in a context that refers to a Party, means such Laws as are binding upon or applicable to such Party and/or its Subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party and/or its Subsidiaries or its or their business, undertaking, property or securities;

"**Letter of Transmittal**" means the letter of transmittal delivered by the Company to Registered Shareholders for use in connection with the Arrangement;

"**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, statutory or deemed trusts, encumbrances, reservations on title, royalty interests, adverse rights or claims or other third party interests or encumbrances of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by applicable Law, contract or otherwise) capable of becoming any of the foregoing;

"**Management Representatives**" has the meaning ascribed to it in "*General Proxy Information – Appointment of Proxyholder*";

"**Mark-to-Market Election**" has the meaning ascribed to it in "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Considerations for the Arrangement*";

"**Mason US**" has the meaning ascribed to it in Appendix "F" – *"Information Concerning Hudbay – Corporate Structure*";

"**Matching Period**" has the meaning ascribed to it in "*The Arrangement Agreement – Covenants – Covenants Regarding Non-Solicitation and Acquisition Proposals – Superior Proposals and Right to Match*";

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators;

"**Minority Approval Vote**" has the meaning ascribed to it in "*The Arrangement – Required Securityholder Approval of the Arrangement*";

"**MLI**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations*";

"**National Security Guidelines**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – ICA Clearance*";

"**National Security Notice**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – ICA Clearance*";

"**National Security Review**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – ICA Clearance*";

"**NAV**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*";

"**NAV/PS**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*";

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;

"**No Action Letter**" has the meaning ascribed to it in "*Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – Competition Act Clearance*";

"**NOBOs**" has the meaning ascribed to it in "*General Proxy Information – Voting by Securityholders at the Company Meeting – Who is a Non-Registered Shareholder*";

"**Non-Registered Shareholder**" means a non-registered or beneficial holder of Common Shares;

"**Non-Resident Holder**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*";

"**Notice**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – ICA Clearance*";

"**Notice of Dissent**" has the meaning ascribed to it in "*The Arrangement – Dissenting Shareholders' Rights*";

"**Notice of Special Meeting**" means the Notice of Special Meeting of Securityholders attached to this Circular;

"**Notice Shares**" has the meaning ascribed to it in "*The Arrangement – Dissenting Shareholders' Rights*";

"**Notifiable Transaction**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – Competition Act Clearance*";

"**Notification**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – Competition Act Clearance*";

"**Notional Offer Price**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*";

"**Nuton**" has the meaning ascribed to it in "*The Arrangement – Background to the Arrangement* ";

"**NYSE**" means the New York Stock Exchange;

"**OBOs**" has the meaning ascribed to it in "*General Proxy Information – Voting by Securityholders at the Company Meeting – Who is a Non-Registered Shareholder*";

"**Option Value**" for an Option means an amount, which amount cannot be less than zero, equal to (a) the Company Share Value, minus (b) the exercise price of such Option;

"**Optionholder**" means a holder of one or more Options;

"**Options**" means the outstanding options to purchase Common Shares granted under the Equity Incentive Plan;

"**Origin**" means Origin Merchant Partners;

"**Osler**" means Osler, Hoskin & Harcourt LLP;

"**OTJV Agreement**" has the meaning ascribed to it in "*The Arrangement – Background to the Arrangement*";

"**Outside Date**" means June 30, 2026, or such later date as may be agreed to in writing by the Parties, provided that if any Specified Regulatory Approval has not been obtained by June 30, 2026, any Party may elect, by notice delivered in writing to the other Party prior to such date, or in the case of the subsequent extension, prior to such date as initially extended, to extend the Outside Date (i) for an initial extension period to no later than August 15, 2026, and (ii) following the initial extension period, for a second extension period to no later than September 30, 2026;

"**P/CF**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*";

"**Parties**" means, together, Hudbay and the Company, and "**Party**" means either of them as the context requires;

"**PEA**" means preliminary economic assessment;

"**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"**Petition**" means the Petition attached as Appendix "I" to this Circular;

"**PFIC**" has the meaning ascribed to it in "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Considerations for the Arrangement*";

"**PFS**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*";

"**Plan of Arrangement**" means the plan of arrangement of the Company, substantially in the form attached as Appendix "B" to this Circular, and any amendments or variations thereto made in accordance with the Arrangement Agreement and the Plan of Arrangement or upon the direction of the Court in the Final Order (with the prior written consent of both the Company and Hudbay, each acting reasonably);

"**Pre-Acquisition Reorganization**" means such reorganizations of the Company's or its Subsidiaries' business, operations and assets or such other transactions as Hudbay may request, acting reasonably;

"**Proposed Agreement**" as the meaning ascribed to it in "*The Arrangement Agreement – Covenants – Covenants Regarding Non-Solicitation and Acquisition Proposals – Superior Proposals and Right to Match*";

"**Proposed Amendments**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations*";

"**QEF**" has the meaning ascribed to it in "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Considerations for the Arrangement*";

"**QEF Election**" has the meaning ascribed to it in "*Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Considerations for the Arrangement*";

"**Record Date**" has the meaning ascribed to it in "*General Proxy Information – Record Date*";

"**Registered Plan**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Registered Shareholder**" means a registered holder of Common Shares as recorded in the shareholder register of the Company;

"**Regulatory Approvals**" means Competition Act Clearance, CFIUS Clearance, ICA Clearance, and those sanctions, rulings, consents, orders, exemptions, Authorizations and other approvals (including the lapse, without objection, of a prescribed period of time under a statute or regulation that states that a transaction may be implemented if a prescribed period of time lapses following the giving of notice without an objection being made) of any Governmental Entity required in relation to the transactions contemplated hereby;

"**Representatives**" means, with respect to a Person, such Person's directors, officers, employees, legal counsel, financial advisors, accountants, agents, consultants and other authorized representatives and advisors;

"**Resident Holder**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*";

"**Reviewable Transaction**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – ICA Clearance*";

"**RSU Holder**" means a holder of one or more RSUs;

"**RSU Value**" for an RSU means an amount equal to the product of (i) the number of Common Shares underlying such RSU and (ii) the Company Share Value;

"**RSUs**" means the outstanding restricted share units granted under the Equity Incentive Plan;

"**Scotiabank**" means Scotia Capital Inc.;

"**Scotiabank Engagement Agreement**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Financial Advisor Fairness Opinion*";

"**SEC**" means the U.S. Securities Exchange Commission;

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof;

"**Securities**" means collectively, Common Shares, Options, DSUs and RSUs;

"**Securities Act**" means the *Securities Act* (British Columbia);

"**Securities Laws**" means, collectively, Canadian Securities Laws and U.S. Securities Laws;

"**Securityholder Approval**" has the meaning ascribed to it in "*The Arrangement – Required Securityholder Approval of the Arrangement*";

"**Securityholders**" means, collectively, the Shareholders and Optionholders, DSU Holders and RSU Holders, as the context requires;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval +;

"**Shareholder Rights Plan**" means the Shareholder Rights Plan Agreement between the Company and TSX Trust Company dated January 31, 2025;

"**Shareholders**" means the registered and/or beneficial holders of Common Shares, as the context requires;

"**Specified Regulatory Approvals**" means Competition Act Clearance, CFIUS Clearance and ICA Clearance;

"**Subsidiary**" has the meaning ascribed to it in NI 45-106 and, for certainty, Arizona Sonoran Copper Company (USA) Inc. and Cactus 110 LLC are Subsidiaries of the Company;

"**Subsidiary PFIC**" has the meaning ascribed to it in "*Certain United States Federal Income Tax Considerations – U.S. Federal Income Tax Consequences of the Ownership and Disposition of Hudbay Shares – Consequences of PFIC Status with Respect to Hudbay Shares*";

"**Superior Proposal**" means an unsolicited *bona fide* written Acquisition Proposal made by a Person or group of Persons who is or are, as at the date of the Arrangement Agreement, a party(ies) that deals at arm's length with the Company, that did not result from a breach of the Arrangement Agreement or any agreement between the Person(s) making such Acquisition Proposal and the Company or its affiliates, to acquire 100% of the outstanding Common Shares (other than Common Shares beneficially owned by the Person or Persons making such Acquisition Proposal) or all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis, made after the date of the Arrangement Agreement that: (i) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person(s) making such Acquisition Proposal; (ii) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Board, acting in good faith (after receipt of advice from its financial advisors and outside legal counsel); (iii) is not subject to a due diligence and/or access condition (but, for greater certainty, may include a customary access covenant); (iv) that, in the case of an Acquisition Proposal to acquire 100% of the Common Shares, is made available to all Shareholders on the same terms and conditions; (v) complies with all applicable Securities Laws; and (vi) the Board (after receipt of advice from its outside legal counsel and financial advisors) determines in good faith, and after taking into account all the terms and conditions of such Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal, would, if consummated in accordance with its terms (but without assuming away any risk of non-completion), result in a transaction more favourable, from a financial point of view, to the Shareholders (including any adjustment to the terms and conditions of the Arrangement proposed by Hudbay pursuant to Section 7.4 of the Arrangement Agreement);

"**Superior Proposal Notice**" has the meaning ascribed to it in "*The Arrangement Agreement – Superior Proposals and Right to Match*";

"**Supplementary Information Request**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – Specified Regulatory Approvals and Stock Exchange Approvals – Competition Act Clearance*";

"**Support Agreements**" means the voting and support agreements dated March 1, 2026 between Hudbay and each Supporting Securityholder setting forth the terms and conditions upon which they have agreed, among other things, to vote their Securities in favour of the Arrangement Resolution;

"**Supporting Securityholders**" means, collectively, each of the directors, officers and other members of management of the Company;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**taxable capital gain**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Losses*";

"**Taxes**" includes any taxes, duties, fees, premiums, assessments, imposts, levies, expansion fees and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including, but not limited to, those levied on, or measured by, or referred to as, income, gross receipts, earnings, profits, mining, mineral, windfall, environmental, royalty, capital, capital stock, transfer, land transfer, disability, ad valorem, sales, net worth, goods and services, harmonized sales, use, value-added, excise, stamp, recording, withholding, business, franchising, property, premium, development, occupation, occupancy, employer health, alternative or add-on minimum, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada Pension Plan and other pension plan premiums or contributions imposed by any Governmental Entity, any transferee or predecessor liability in respect of any of the foregoing, and any liability for any such amounts imposed with respect to any other person, including under any agreements or arrangements;

"**Termination Payment**" means $70,000,000;

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S.-Owned Foreign Corporation Rules**" has the meaning ascribed to it in "*Certain United States Federal Income Tax Considerations – Foreign Tax Credits*";

"**U.S. Resident Holder**" has the meaning ascribed to it in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dividends on Hudbay Shares*";

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**U.S. Securities Laws**" means the U.S. Exchange Act, the U.S. Securities Act and all other applicable U.S. federal securities Laws;

"**U.S. Securityholders**" has the meaning ascribed to it in "*The Arrangement – Regulatory and Securities Law Matters – United States Securities Law Matters*";

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986, as amended;

"**U.S. Treasury Regulations**" means the U.S. Treasury regulations promulgated under the U.S. Tax Code;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"**Value Determination Date**" means the date that is three business days prior to the Effective Date;

"**VIF**" means a voting instruction form;

"**VWAPs**" has the meaning ascribed to it in "*The Arrangement – Background to the Arrangement*"; and

"**WACC**" has the meaning ascribed to it in "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*".

MANAGEMENT INFORMATION CIRCULAR

Containing information as of April 7, 2026

PURPOSE OF THE MEETING

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of **ARIZONA SONORAN COPPER COMPANY INC.** (the "**Company**") for use at the special meeting (the "**Company Meeting**") of the holders (the "**Shareholders**") of common shares in the capital of the Company ("**Common Shares**"), the holders of Options ("**Optionholders**"), the holders of DSUs ("**DSU Holders**") and the holders of RSUs ("**RSU Holders**", and collectively with Shareholders, Optionholders and DSU Holders, "**Securityholders**") for the purposes set forth in the accompanying Notice of Special Meeting (the "**Notice of Special Meeting**") and at any adjournments or postponements thereof.

DATE, TIME AND PLACE OF THE MEETING

The Company Meeting will be held on May 11, 2026 at 1:00 p.m. (Toronto time). The Company Meeting will be a virtual-only meeting conducted via live audio webcast online at https://virtual-meetings.tsxtrust.com/1920.

Securityholders will not be able to attend the Company Meeting in person. Registered Shareholders, holders of Incentive Securities and duly appointed proxyholders, including Non-Registered Shareholders who have duly appointed themselves as proxyholder, will have the opportunity to participate at the Company Meeting. Registered Shareholders, holders of Incentive Securities and duly appointed proxyholders can vote at the appropriate times during the Company Meeting. Guests, including Non-Registered Shareholders who have not appointed themselves as proxyholder can log into the Company Meeting as set out below. Guests will have the opportunity to listen to the Company Meeting but will not be able to participate or vote.

If you attend the Company Meeting, it is important that you are connected to the internet at all times during the Company Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Company Meeting. You should allow ample time to check into the Company Meeting online and complete the related procedures.

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at April 7, 2026, except as otherwise indicated. No person has been authorized to give information or to make any representations in connection with the Arrangement other than those contained or incorporated by reference in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the Arrangement Resolution or be considered to have been authorized by the Company or Hudbay.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

The information concerning Hudbay contained in this Circular has been provided by Hudbay for inclusion in this Circular. Although the Company has no knowledge that would indicate that any statements contained herein taken from information provided by Hudbay are untrue or incomplete, the Company assumes no responsibility for the accuracy of such information or for any failure by Hudbay to disclose events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Company.

The Securityholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

THIS CIRCULAR AND THE TRANSACTIONS CONTEMPLATED BY THE ARRANGEMENT AGREEMENT AND THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Descriptions in this Circular of the Arrangement Agreement, the Support Agreements, the Plan of Arrangement, the Interim Order, the Independent Fairness Opinion and the Financial Advisor Fairness Opinion are summaries of those documents. Securityholders should refer to the full text of each of these documents. The Plan of Arrangement, the Interim Order, the Independent Fairness Opinion and the Financial Advisor Fairness Opinion are attached to this Circular as Appendices "B", "C", "D", and "E", respectively. Copies of the Arrangement Agreement and the Support Agreements are available under the Company's profile on SEDAR+ at www.sedarplus.ca. **You are urged to carefully read the full text of these documents.**

All dollar amounts set forth in this Circular are in Canadian dollars, except where otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular may constitute forward-looking information, under the meaning of applicable securities laws, which are based on the opinions, estimates and assumptions of the Company's and Hudbay's management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Forward-looking information may include views related to the proposed Arrangement, the anticipated benefits of the Arrangement, the completion of the Arrangement and other expectations of the Company and Hudbay and are often, but not always, identified by the use of words such as "believe", "could", "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "might", "should" and similar words suggesting future outcomes or statements regarding an outlook. More particularly and without limitation, this Circular contains forward-looking statements and information concerning: the Arrangement and the completion thereof; covenants of the Company and Hudbay in relation to the Arrangement; the timing for the implementation of the Arrangement; the anticipated benefits of the Arrangement; the principal steps of the Arrangement; the process and timing of delivery of the Consideration to Securityholders following the Effective Time; the receipt of the Court, regulatory and Securityholder approval; the anticipated tax treatment of the Arrangement for Securityholders; certain statements made in, and based upon, the Fairness Opinions; statements relating to the business of the Company, Hudbay and Hudbay following the Arrangement after the date of this Circular and prior to, and after, the Effective Time; the strengths, characteristics, market position, and future financial or operating performance and potential of Hudbay following the Arrangement; the amounts received by the directors and senior officers of the Company under the Arrangement; delisting of the Common Shares from the TSX and the OTCQX Best Market; ceasing of reporting issuer status of the Company; the listing of the Consideration Shares on the TSX and the NYSE; the availability of the Section 3(a)(10) Exemption for the securities issuable pursuant to the Arrangement; the transfer restrictions (or lack thereof) with respect to the Consideration Shares issued to Securityholders upon the completion of the Arrangement; the liquidity of Hudbay Shares following the Effective Time; the market price of Hudbay Shares; the number of Hudbay Shares expected to be issued pursuant to the Arrangement; the expected ownership of Hudbay Shares by Shareholders and existing holders of Hudbay Shares upon completion of the Arrangement; anticipated developments in the operations of the Company and Hudbay; expectations regarding the growth of Hudbay following the Arrangement; the timing and possible outcome of pending litigation in future periods; the timing and possible outcome of regulatory and permitted matters; goals; strategies; future growth; planned future acquisitions (other than the Arrangement); the adequacy of financial resources; and other events or conditions that may occur in the future or future plans, projects, objectives, estimates and forecasts, and the timing related thereto.

Such statements reflect the Company's and Hudbay's current views with respect to future events and are based on information currently available to the Company and Hudbay and are subject to certain risks, uncertainties and assumptions, including those discussed below. Many factors could cause the Company's and Hudbay's actual results, performance or achievements to differ materially from any future results, performance or achievements that may be expressed or implied by such forward-looking information. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the

forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Such assumptions include, but are not limited to: (i) the ability of the Parties to receive, in a timely manner and on satisfactory terms, the Specified Regulatory Approvals, Court approval and the Securityholder Approval; (ii) the listing of the Consideration Shares on the TSX and the NYSE; (iii) the ability of the Parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement, including receipt of the Specified Regulatory Approvals; (iv) the Company's and Hudbay's ability to obtain all necessary permits, licenses and regulatory approvals for operations in a timely manner; (v) the adequacy of the financial resources of the Company and Hudbay; (vi) favourable equity and debt capital markets; (vii) stability in financial capital markets; and (viii) other expectations and assumptions which management of the Company and Hudbay believe are appropriate and reasonable. The anticipated dates indicated may change for a number of reasons, including the inability to secure the Specified Regulatory Approvals, Court approval and the Securityholder Approval, the necessity to extend the time limits for satisfying the other conditions for the completion of the Arrangement or the ability of the Board to consider and approve, subject to compliance by the Company with its obligations under the Arrangement Agreement, a Superior Proposal. Although the Company and Hudbay believe that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct, that the proposed Arrangement will be completed or that it will be completed on the terms and conditions contemplated in this Circular. Accordingly, investors and others are cautioned that undue reliance should not be placed on any forward-looking statement.

Risks and uncertainties inherent in the nature of the Arrangement include, without limitation, Hudbay Shares issued in connection with the Arrangement may have a market value different than expected; the market price of the Common Shares may be materially adversely affected in certain circumstances; there are risks related to the integration of existing businesses of the Company and Hudbay; the Company is restricted from taking certain actions while the Arrangement is pending; the completion of the Arrangement is uncertain and the Company will incur costs and may have to pay the Termination Payment in certain circumstances if the Arrangement is not completed; the Termination Payment provided under the Arrangement Agreement may discourage other parties from attempting to acquire the Company; the Arrangement may divert the attention of the Company's management; the completion of the Arrangement is subject to conditions precedent including receipt of the Specified Regulatory Approvals; the Arrangement Agreement may be terminated in certain circumstances; the Arrangement is subject to the approval of the Arrangement Resolution; directors and senior officers of the Company have interests in the Arrangement that may be different from those of Shareholders generally; the Company and Hudbay may be the targets of legal claims, securities class action, derivative lawsuits and other claims; Dissent Rights may result in the Arrangement not being completed; and tax consequences of the Arrangement may differ from anticipated treatment, including that if the Arrangement does not qualify as a tax-deferred reorganization, some Shareholders may be required to pay substantial U.S. federal income taxes; the announcement and pendency of the Arrangement may adversely impact the Company's existing business relationships; and the Company did not pursue a formal auction or other process to solicit potential alternative buyers. Factors that could cause anticipated opportunities and actual results to differ materially also include, but are not limited to, matters identified in the "*Risk Factors*" section of this Circular, the "*Risk Factors*" section of the Company's most recent annual information form and the "*Risks and Uncertainties*" and "*Financial Instruments*" sections of the Company's most recent annual and interim management's discussion and analysis, all of which can be accessed under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at https://arizonasonoran.com, and the "*Risk Factors*" section of Hudbay's most recent annual information form and the "*Financial Risk Management*" section of Hudbay's most recent annual and interim management's discussion and analysis, which can be accessed under Hudbay's profile on SEDAR+ at www.sedarplus.ca.

These factors should be considered carefully, and the reader should not place undue reliance on the forward-looking information. Forward-looking information is made as of the date of this Circular, and the Company and Hudbay do not intend, and do not assume any obligation, to update or revise forward-looking information, except as may be required under applicable Laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

NOTICE TO SHAREHOLDERS NOT RESIDENT IN CANADA

The Company is a corporation organized under the laws of the Province of British Columbia. The solicitation of proxies involves securities of a Canadian issuer and the transactions contemplated in this Circular are not subject to the proxy rules under Section 14(a) of the U.S. Exchange Act by virtue of an exemption for foreign private issuers, and therefore this

solicitation is being effected in accordance with applicable corporate and securities laws in Canada. Securityholders should be aware that the requirements applicable to the Company under Canadian laws may differ from requirements under corporate and securities laws relating to corporations in other jurisdictions.

THE CONSIDERATION SHARES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Consideration Shares issuable under the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and such shares will be issued in reliance on the Section 3(a)(10) Exemption on the basis of the approval of the Court. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more *bona fide* outstanding securities from the registration requirements under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all Persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Final Order will be relied upon as a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Consideration Shares to be received by Securityholders pursuant to the Arrangement in exchange for their Company Shares. Prior to the hearing on the Final Order, the Court will be informed that the parties will so rely upon the Final Order as the basis for the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof.

The enforcement of civil liabilities under the Securities Laws of other jurisdictions outside Canada may be affected adversely by the fact that the Company is organized under the laws of the Province of British Columbia, that a large portion of its assets are located in Canada and most of its directors and executive officers are residents of Canada. You may not be able to sue the Company or its directors or officers in a Canadian court for violations of foreign securities laws. It may be difficult to compel the Company to subject itself to a judgment of a court outside Canada.

PERSONS OR COMPANIES MAKING THE SOLICITATION

THE ENCLOSED FORM OF PROXY IS BEING SOLICITED BY MANAGEMENT OF THE COMPANY. It is expected that solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally or by telephone, email, facsimile, or other communication by directors, officers, employees or agents of the Company, without special compensation. All costs of soliciting proxies and mailing the Company Meeting materials in connection with the Company Meeting will be borne by the Company.

The Company has also retained Shorecrest Group Ltd. as its proxy solicitation agent for assistance in connection with the solicitation of proxies, among other responsibilities, for a fee of $45,000 for such services, in addition to certain out-of-pocket expenses. The Company may also reimburse brokers, investment dealers or other intermediaries holding Common Shares in their name or in the name of nominees for their costs incurred in sending proxy materials to their principals in order to obtain their proxies.

None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this Circular.

GENERAL PROXY INFORMATION

Record Date

The directors of the Company have fixed March 25, 2026, at the close of business as the record date (the "**Record Date**") for determining the names of Securityholders entitled to receive notice of the Company Meeting. Only Securityholders whose names have been entered in the applicable register of Securities at the close of business on March 25, 2026 as a holder of one

or more Securities is entitled to attend and vote at the Company Meeting virtually or by proxy and, in the event of a poll, to cast one vote for each Common Share held, one vote for each Common Share that an Optionholder would have received on a valid exercise of such Optionholder's Options, one vote for each Common Share that a DSU Holder would have received on a valid settlement of such DSU Holder's DSUs and one vote for each Common Share that an RSU Holder would have received on a valid settlement of such RSU Holder's RSUs.

Appointment of Proxyholder

Each of the persons named in the enclosed form of proxy is a director or senior officer of the Company (the "**Management Representatives**"). **A Registered Shareholder or Incentive Securityholder has the right to appoint a person (who need not be a Securityholder) as his, her or its nominee to virtually attend and act for such Registered Shareholder or Incentive Securityholder and on his, her or its behalf at the Company Meeting other than the Management Representatives designated in the form of proxy or VIF accompanying this Circular.** To exercise this right, a Registered Shareholder or Incentive Securityholder may insert the name in full of his, her or its nominee in the blank space provided in the form of proxy and strike out the names of the persons now designated. The proxy will not be valid unless the completed form of proxy is delivered to TSX Trust Company, (i) by mail addressed to TSX Trust Company, Proxy Voting Department, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1; (ii) online at www.voteproxyonline.com; (iii) by email at tsxtrustproxyvoting@tmx.com; (iv) by fax to 416-595-9593; or (v) by hand delivery to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not less than two business days (excluding Saturdays, Sundays and statutory holidays in British Columbia) immediately preceding the time of the Company Meeting (as it may be adjourned or postponed from time to time). Non-Registered Shareholders should follow instructions provided to them by their Intermediary with respect to their VIF.

Securityholders who wish to appoint a person other than the Management Representatives designated in the form of proxy or VIF accompanying this Circular (including a Non-Registered Shareholder who wishes to appoint themselves as proxyholder to attend and vote at the virtual Company Meeting) must carefully follow the instructions in this Circular and on their form of proxy or VIF. These instructions include the additional step of registering such proxyholder with the Company's transfer agent, TSX Trust Company, after submitting the form of proxy or VIF.

Non-Registered Shareholders and proxyholders must also obtain a control number to vote during the virtual Company Meeting. You must complete the additional step of registering the proxyholder by completing an electronic form at https://tsxtrust.com/resource/en/75 and emailing the form to tsxtrustproxyvoting@tmx.com by no later than 1:00 p.m. (Toronto time) on May 7, 2026.

Failing to register your proxyholder with TSX Trust Company will result in the proxyholder not receiving a control number, which is required to vote at the virtual Company Meeting. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust Company in accordance with the instructions in this Circular will not be able to vote at the virtual Company Meeting but will be able to listen as a guest only.

For Registered Shareholders and Incentive Securityholders, this additional step of registering with TSX Trust Company is not required as the control number is located on the form of proxy accompanying this Circular.

Revocation of Proxies

A Registered Shareholder or Incentive Securityholder who has given a proxy has the power to revoke it by a signed instrument in writing in the manner provided in the articles of the Company (the "**Articles**") or in any other manner provided by Law any time before it is exercised. The Articles provide that every proxy may be revoked by an instrument in writing that is (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or (2) provided, at the meeting, to the chair of the meeting. The Articles further provide that the chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote. Registered Shareholders and Incentive Securityholders should note that if they participate and vote on any matter at the virtual Company Meeting, they will revoke any previously submitted proxy. Non-Registered Shareholders should follow instructions provided to them by their Intermediary with respect to their VIF.

Voting of Securities and Exercise of Discretion by Proxyholder

The form of proxy and VIF accompanying this Circular confer discretionary authority upon the proxy nominees with respect to any amendments or variations to matters identified in the Notice of Special Meeting and any other matters which may properly come before the Company Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Company Meeting other than the matters referred to in the Notice of Special Meeting and routine matters incidental to the conduct of the Company Meeting. In the event that any further or other business is properly brought before the Company Meeting, it is the intention of the Management Representatives designated in the enclosed form of proxy and VIF to vote in accordance with their judgment of such business.

On any ballot or poll, the Securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Securityholder as specified in the form of proxy and VIF with respect to any matter to be acted on. If a choice is not so specified with respect to any such matter, the Securities represented by a proxy given to Management Representatives are intended to be voted in favour of the Arrangement Resolution.

Voting by Securityholders at the Company Meeting

Please carefully review and follow the voting instructions below based on whether you are a "Registered Shareholder", "Non-Registered Shareholder" or "Incentive Securityholder" of the Company.

These materials are being sent to both registered ("**Registered Shareholders**") and Non-Registered Shareholders of the Company's Common Shares and to Incentive Securityholders. Only Registered Shareholders, Incentive Securityholders or duly appointed proxyholders are permitted to vote at the virtual Company Meeting.

Who is a Registered Shareholder or Incentive Securityholder

Registered Shareholders are Shareholders who hold Common Shares in the records of the Company in their own names and can vote by attending and voting those Common Shares at the Company Meeting or by appointing a proxyholder as described above.

Incentive Securityholders are holders of Options, DSUs and RSUs of the Company.

Registered Shareholders and Incentive Securityholders will receive a form of proxy from TSX Trust Company representing the Common Shares or Incentive Securities they hold, as applicable. Registered Shareholders and Incentive Securityholders that choose to authorize the Management Representatives named on the enclosed form of proxy to vote their Common Shares or their Incentive Securities can give voting instructions in any of the following ways:

Internet: Go to www.voteproxyonline.com and follow the instructions. Registered Shareholders and Incentive Securityholders will need to refer to the control number printed on their form of proxy.

Email: Scan both sides of the completed form of proxy and send to TSX Trust Company by email at tsxtrustproxyvoting@tmx.com.

Mail: Complete and return the form of proxy using the envelope provided in the enclosed mailing package and mail to: TSX Trust Company, Proxy Voting Department, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

Fax: Scan both sides of the completed form of proxy and send to TSX Trust Company by fax to 416-595-9593.

Hand Delivery: Complete and return the form of proxy to TSX Trust Company by hand delivery to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

Who is a Non-Registered Shareholder

Non-Registered Shareholders are Shareholders who do not hold Common Shares in their own names in the records of the Company. Such Common Shares will usually be held in the name of an Intermediary (for example, a bank, a trustee, a broker or an investment dealer) or in the name of a clearing agency of which the Intermediary is a participant. There are two kinds of Non-Registered Shareholders: those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners ("**OBOs**"), and those who do not object, known as non-objecting beneficial owners ("**NOBOs**").

In Canada, all of the Common Shares held through Intermediaries are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). A Non-Registered Shareholder which receives these Company Meeting materials from their Intermediary must complete and return the voting materials in accordance with the instructions provided by their Intermediary as to how to vote the Common Shares held by them.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed materials for the Company Meeting to Intermediaries for distribution to Non-Registered Shareholders. The Company will pay for Intermediaries to forward the proxy-related materials to OBOs.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Corporation ("**Broadridge**") in Canada and in the United States. Broadridge typically prepares a machine-readable VIF, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example).

Your nominee may have sent to you the Notice of Special Meeting, including a VIF or a blank form of proxy signed by the nominee. You may provide your voting instructions by filling in the appropriate boxes. Please follow your nominee's instructions for signing and returning the applicable materials. Sometimes you may be allowed to give your instructions by internet or telephone. You can give your voting instructions in any of the following ways:

> **Internet**: Go to www.proxyvote.com and follow the instructions. You will need to refer to the 12-digit control number printed on your VIF to vote your Common Shares.
>
> **Telephone**: Call the telephone number printed on your VIF. Enter the 12-digit control number printed on the VIF and follow the interactive voice recording instructions to vote your Common Shares.
>
> **Mail**: Enter your voting instructions, sign and date the VIF, and return the completed VIF in the enclosed postage paid envelope.

The Company may utilize the Broadridge QuickVote™ service to assist eligible Shareholders with voting their Common Shares. NOBOs may be contacted by Shorecrest Group Ltd. to obtain a vote directly over the telephone.

If a Non-Registered Shareholder does not complete and return the materials in accordance with the instructions from the Intermediary or as set forth herein and in the other Company Meeting materials, it may lose the right to vote at the virtual Company Meeting, either virtually or by proxy. Although Non-Registered Shareholders may not be recognized directly at the virtual Company Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Non-Registered Shareholder may attend and vote at the virtual Company Meeting by appointing itself as a proxyholder, and registering with TSX Trust Company, for its Common Shares in accordance with the voting instructions.

Non-Registered Shareholders who have questions or concerns regarding any of these procedures should contact their Intermediary directly or contact the Company or TSX Trust. See "*Voting Process and Meeting Technical Assistance*" in this Circular.

Instructions on Voting at the Company Meeting

Registered Shareholders, Incentive Securityholders and duly appointed proxyholders will be able to attend the virtual Company Meeting and vote in real time, provided they are connected to the internet and follow the instructions in this Circular. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust Company in accordance with the instructions in this Circular will be able to attend and listen to the virtual Company Meeting as a guest but will not be able to vote, ask questions or otherwise participate in any discussions at the virtual Company Meeting.

Securityholders who wish to appoint a person other than the Management Representatives designated in the form of proxy or VIF accompanying this Circular (including a Non-Registered Shareholder who wishes to appoint themselves as proxyholder to attend and vote at the virtual Company Meeting) must carefully follow the instructions in this Circular and on their form of proxy or VIF. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust Company, after submitting the form of proxy or VIF. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a control number to participate in the virtual Company Meeting and only being able to attend as a guest. Guests will be able to listen to the virtual Company Meeting but will not be able to vote.

Obtaining a Control Number of Non-Registered Shareholders and Proxyholders

Non-Registered Shareholders and proxyholders must also obtain a control number to vote during the virtual Company Meeting. You must complete the additional step of registering the proxyholder by completing an electronic form at https://tsxtrust.com/resource/en/75 and emailing the form to tsxtrustproxyvoting@tmx.com by no later than 1:00 p.m. (Toronto time) on May 7, 2026.

Failing to register your proxyholder with TSX Trust Company will result in the proxyholder not receiving a control number, which is required to vote at the virtual Company Meeting. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust in accordance with the instructions in this Circular will be able to attend and listen to the virtual Company Meeting as a guest but will not be able to vote, ask questions or otherwise participate in any discussions at the virtual Company Meeting.

For Registered Shareholders and Incentive Securityholders, this additional step of registering with TSX Trust is not required as the control number is located on the form of proxy accompanying this Circular.

How to Vote

You have two ways to vote your Securities:

1. By submitting your form of proxy or VIF as per instructions indicated; or

2. During the Company Meeting by online ballot through the live webcast platform at https://virtual-meetings.tsxtrust.com/1920.

Registered Shareholders, Incentive Securityholders and duly appointed proxyholders (including Non-Registered Shareholders who have duly appointed themselves as proxyholder) that attend the Company Meeting online will be able to vote by completing a ballot online during the Company Meeting through the live webcast platform.

Guests (including Non-Registered Shareholders who have not duly appointed themselves as proxyholder) can log into the Company Meeting as set out below. Guests will be able to listen to the Company Meeting but will not be able to vote during the Company Meeting.

Step 1: Log in online at https://virtual-meetings.tsxtrust.com/1920.

Step 2: Follow these instructions:

- **Registered Shareholders and Incentive Securityholders**: Click "***I have a control number/Meeting Access Number***" and then enter your control number and password: "***arizona2026***" (case sensitive). The control number is located on the form of proxy accompanying this Circular. If you use your control number to log in to the virtual Company Meeting, any vote you cast at the virtual Company Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote during the virtual Company Meeting.

- **Duly appointed proxyholders**: Click "***I have a control number/Meeting Access Number***" and then enter your control number and password: "***arizona2026***" (case sensitive). Proxyholders who have been duly appointed and registered with TSX Trust Company as described in this Circular will receive a control number by email from TSX Trust Company after the proxy voting deadline has passed.

- **Guests**: Click "***Guest***" and then complete the online form.

It is your responsibility to ensure internet connectivity for the duration of the virtual Company Meeting and you should allow ample time to log in to the Company Meeting online before it begins.

How to Participate in and Ask Questions at the Company Meeting

Registered Shareholders, Incentive Securityholders and duly appointed proxyholders (including Non-Registered Shareholders who have duly appointed themselves as proxyholder) who attend the Company Meeting virtually and have properly followed the instructions in this Circular to participate and vote virtually at the Company Meeting will have an opportunity to participate in discussions and ask questions at the Company Meeting during any discussion or question period.

During the Company Meeting, if a Securityholder or proxyholder wishes to engage in a discussion or ask a question, they should select the "***Ask a Question***" icon and type the comment or question within the chat box on the messaging screen and click the "***Ask Now***" button to submit the comment or question to the Chair of the Company Meeting. Comments and questions can be submitted at any time during any discussion or question period during the Company Meeting up until the Chair of the Company Meeting closes such discussion or question period.

Should a Securityholder or proxyholder wish to submit a question to be addressed at the Company Meeting, they can also submit questions in advance of the Company Meeting to contact@shorecrestgroup.com and under subject type "***Arizona Sonoran Special Meeting Questions***".

Regardless of whether comments or questions are submitted during the Company Meeting or in advance as set out above, all submitted comments and questions may be reviewed by the Company through the TSX Trust Company virtual meeting platform before being sent to the Chair of the Company Meeting. It is anticipated that Securityholders will have substantially the same, if not the same, level of opportunity to engage in discussions and ask questions on matters of business before the Company Meeting as in past years when meetings of Shareholders were held in person, provided that such Securityholders have properly followed the instructions in this Circular to participate in the virtual Company Meeting and remain connected to the internet at all relevant times. In the event that there is insufficient time during the Company Meeting for the Company to address all properly submitted questions, Securityholders or proxyholders whose questions were not addressed during the Company Meeting are encouraged to contact the Company at info@arizonasonoran.com.

Voting Process and Meeting Technical Assistance

Securityholders with questions regarding the virtual meeting platform or requiring assistance accessing the Company Meeting website for the Company Meeting should refer to the virtual meeting guide accompanying the Company Meeting materials, the TSX Trust's frequently asked questions website at https://www.tsxtrust.com/vagm-faq or contact Shorecrest Group Ltd. at 1-888-637-5789 toll free in North America or 647-931-7454 (outside North America) or by e-mail at: contact@shorecrestgroup.com.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at the Record Date, the Company had 208,741,884 Common Shares issued and outstanding, with each such Common Share entitling the holder thereof to one vote per Common Share at the Company Meeting. Each Shareholder of record at the close of business on the Record Date is entitled to vote virtually or by proxy at the Company Meeting on the Arrangement Resolution.

Incentive Securityholders of record at the close of business on the Record Date will also be entitled to vote virtually or by proxy at the Company Meeting with the Shareholders, as a single class, on the Arrangement Resolution on the basis of one vote for each Common Share that an Optionholder would have received on a valid exercise of such Optionholder's Options, one vote for each Common Share that a DSU Holder would have received on a valid settlement of such DSU Holder's DSUs and one vote for each Common Share that an RSU Holder would have received on a valid settlement of such RSU Holder's RSUs. As at the Record Date, there were 7,738,267 Options, 713,937 DSUs and 1,024,173 RSUs issued and outstanding. Accordingly, the maximum number of expected potential votes at the Company Meeting in respect of outstanding Common Shares, Options, DSUs and RSUs totals 218,218,261.

The quorum for the transaction of business the Company Meeting is two Shareholders entitled to vote at the meeting whether present virtually or by proxy who hold, in the aggregate, at least 5% of the issued and outstanding Common Shares entitled to be voted at the meeting.

Only Securityholders of record on the Record Date who either virtually attend the Company Meeting or who complete and deliver a form of proxy or VIF, as applicable, in the manner and subject to the provisions set out under the heading "*Appointment of Proxyholder*" will be entitled to have their Securities voted at the Company Meeting or any adjournment or postponement thereof.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person or company beneficially owns, directly or indirectly, or exercises control or direction over Common Shares, Options, DSUs and/or RSUs collectively carrying more than 10% of the cumulative voting rights of Securityholders at the Company Meeting except as follows:

Person	Number of Common Shares	Percentage of Outstanding Common Shares	Percentage of Outstanding Securities
L1 Capital Pty Ltd[(1)]	27,941,021	13.39%	12.80%
Fourth Sail Capital US LP[(2)]	23,700,000	11.35%	10.86%

(1) As of February 28, 2026, L1 Capital Pty Ltd ("**L1 Capital**"), as investment manager, had control or direction over 27,941,021 Common Shares. L1 Capital is an investment manager for the L1 Long Short Fund Limited, the L1 Capital Long Short Fund, the L1 Capital Long Short (Master) Fund, the L1 Capital Global Long Short Fund Limited, the L1 Capital Global Long Short Fund, and the L1 Capital Global Long Short (Master) Fund, and other mandate clients. Source: Form 62-103F3 – Required Disclosure by an Eligible Institutional Investor filed by L1 Capital on SEDAR+ on March 5, 2026.

(2) As of July 31, 2025, Fourth Sail Capital US LP ("**Fourth Sail US**"), as investment manager, had control or direction over 23,700,000 Common Shares. Fourth Sail US is an investment manager for Fourth Sail Long Short LLC and Fourth Sail Discovery LLC. Source: Form 62-103F3 – Required Disclosure by an Eligible Institutional Investor filed by Fourth Sail US on SEDAR+ on August 1, 2025.

SUMMARY

The following information is a summary of the contents of this Circular. This summary is provided for convenience only and the information contained in this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial data and statements contained, or incorporated by reference, elsewhere in this Circular. Capitalized terms in this summary have the meaning set out in the "*Glossary of Terms*" or as set out herein. The full text of the Arrangement Agreement is available under the Company's profile on SEDAR+ (www.sedarplus.ca).

Date, Time and Place of Meeting

The Company Meeting will be held on May 11, 2026 at 1:00 p.m. (Toronto time). The Company Meeting will be a virtual-only meeting conducted via live audio webcast online at https://virtual-meetings.tsxtrust.com/1920.

The Record Date

The Record Date for determining the Securityholders entitled to receive notice of and to vote at the Company Meeting is as of the close of business on March 25, 2026

Purpose of the Meeting

The purpose of the Company Meeting is to consider and vote upon the Arrangement Resolution and to transact such other business as may properly come before the Company Meeting or any adjournment or postponement thereof. The approval of the Arrangement Resolution will require the Securityholder Approval.

The Arrangement

The purpose of the Arrangement is to effect the acquisition by Hudbay of all of the issued and outstanding Common Shares (other than Common Shares already owned by Hudbay or its affiliates and any Dissent Shares). If the Arrangement Resolution is approved with the Securityholder Approval and all other conditions to the closing of the Arrangement are satisfied or waived, the Arrangement will be implemented by way of a court-approved plan of arrangement under the BCBCA.

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order, without any further authorization, act or formality:

(a) notwithstanding the terms of the Shareholder Rights Plan, the Shareholder Rights Plan shall be terminated, and all rights issued pursuant to the Shareholder Rights Plan shall be cancelled without any payment in respect thereof and the Shareholder Rights Plan shall be of no further force or effect;

(b) notwithstanding any vesting or redemption or other provisions to which a DSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the DSU Plan governing such DSU), each DSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action by any Person, be fully vested and transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the DSU Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such DSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon such DSUs shall be removed from the accounts of the holders of such DSUs maintained by the Company and each DSU shall immediately be cancelled and all agreements relating to the DSUs shall be terminated and shall be of no further force and effect;

(c) notwithstanding any vesting or settlement or other provisions to which an RSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the Equity Incentive Plan governing such RSU), each RSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time

(whether vested or unvested) shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the RSU Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such RSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such RSUs shall be removed from the accounts of the holders of such RSUs maintained by the Company and each RSU shall immediately be cancelled and all agreements relating to the RSUs shall be terminated and shall be of no further force and effect;

(d) notwithstanding any vesting or exercise or other provisions to which an Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Equity Incentive Plan governing such Option), each Option shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the Option Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such Option in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such Option shall be removed from the register of Options maintained by the Company, and the Equity Incentive Plan and each Option shall immediately be cancelled and all agreements relating to the Options shall be terminated and shall be of no further force and effect;

(e) each Dissent Share shall be and shall be deemed to be transferred and assigned by the holder thereof without any further act or formality on its part, free and clear of all Liens, to the Company in accordance with, and for the consideration contemplated in, Section 4.1 of the Plan of Arrangement, and:

(i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the registered holder of each such Dissent Share and the name of such registered holder shall be, and shall be deemed to be, removed from the central securities register of the Company in respect of each such Dissent Share, and at such time each Dissenting Shareholder will have only the rights set out in Section 4.1 of the Plan of Arrangement;

(ii) such Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Dissent Share; and

(iii) the Company shall be the holder of all of the outstanding Dissent Shares, free and clear of all Liens, and the central securities register of the Company shall be revised accordingly; and

(f) each Shareholder (which for avoidance of doubt, shall include former holders of DSUs, RSUs and Options that hold Common Shares following the Effective Time in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) of the Plan of Arrangement), other than Hudbay or a Dissenting Shareholder, shall transfer and assign their Common Shares, without any further act or formality by the Shareholder, free and clear of any Liens, to Hudbay in exchange for the allotment and issuance of the Consideration by Hudbay for each such

Common Share so transferred, and in respect of the Common Shares so transferred:

(i) the registered holder thereof shall cease to be, and shall be deemed to cease to be, the registered holder of each such Common Share and the name of such registered holder shall be removed from the central securities register of Company;

(ii) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Common Share;

(iii) Hudbay shall be the holder of all of the outstanding Common Shares (other than Dissent Shares), free and clear of all Liens, and the central securities register of the Company shall be revised accordingly; and

(iv) each such former Shareholder shall, upon the issuance of the Consideration Shares in their name as contemplated in this Plan of Arrangement, be entered into the share register of Hudbay maintained by or on behalf of Hudbay in respect of the Consideration Shares issuable to such former Shareholder pursuant to Section 2.3(f) of the Plan of Arrangement.

The exchanges, transfers and cancellations provided for in Section 2.3 of the Plan of Arrangement will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

See "*The Arrangement – Plan of Arrangement*" in this Circular.

Effect of the Arrangement

Pursuant to the Arrangement, all issued and outstanding Common Shares (other than Dissent Shares and Common Shares held by Hudbay or any of its affiliates) will be transferred to Hudbay in exchange for the Consideration. On completion of the Arrangement, Hudbay will hold all of the issued and outstanding Common Shares and the Company will be a wholly-owned subsidiary of Hudbay.

Recommendation of the Board

After careful consideration, including a thorough review of the terms of the Arrangement and the Arrangement Agreement and receipt of the Fairness Opinions, and after consultation with management and its financial and legal advisors and taking into consideration, among other things, such other matters considered relevant, including the factors described under the heading "*The Arrangement – Reasons for the Arrangement*", and following the unanimous recommendation of the Independent Directors, the Board unanimously determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders (other than Hudbay and its affiliates). **Accordingly, the Board unanimously approved the Arrangement and the Arrangement Agreement and unanimously recommends that Shareholders vote <u>FOR</u> the Arrangement Resolution.**

The provisions of the Arrangement Agreement are the result of arm's length negotiations between the Company and Hudbay and their respective legal advisors. See "*The Arrangement – Background to the Arrangement*" in this Circular.

Reasons for the Arrangement

In the course of their respective evaluations, the Independent Directors and the Board carefully considered a variety of factors with respect to the Arrangement including, among others, the following:

(a) **Immediate and Significant Premium to Shareholders.** The Consideration implies a value of $9.35 per Common Share based on the closing price of the Hudbay Shares on the TSX as at February 27, 2026, and represents a premium of 30% to the closing price of the Common Shares on the TSX as at February 27, 2026 and a premium of

36% based on the 20-day volume-weighted average price of the Common Shares on the TSX as at February 27, 2026, being the last trading day prior to the entering into of the Arrangement Agreement.

(b) **Exposure to a Diversified and High-Quality Asset Portfolio.** The Arrangement provides Securityholders with the opportunity to retain exposure to the Cactus Project, while also gaining exposure to Hudbay's established, Americas-focused and diversified asset base with its robust operating platform, assets generating meaningful free cash flow and a strong pipeline of copper growth projects.

(c) **Reduced Execution and Financing Risk of the Cactus Project Development.** The Company's strong local relationships in Arizona combined with Hudbay's established business and proven ability to develop and operate large-scale copper projects and the operational synergies realized through combining operations in the same region reduce overall execution risk for the development of the Cactus Project. In addition, Hudbay's well-capitalized balance sheet and ability to generate meaningful cash flow reduce the risk that extensive dilutive financing would be required to finance the development of the Cactus Project. In making this assessment, the Independent Directors and the Board considered, among other things, the current and anticipated future opportunities, needs and risks associated with the financing and development of the Cactus Project by the Company as an independent public entity.

(d) **Improved Capital Markets Visibility and Trading Liquidity.** Hudbay is a well-established operating company listed on both the TSX and NYSE. Securityholders will gain ownership in a larger, significantly more liquid and diversified operating company in Hudbay with broader analyst coverage, enhanced access to capital markets and consistent dividend payments.

(e) **Independent Fairness Opinion.** The Independent Directors and the Board have received an independent fairness opinion provided by Origin, which states that, as of March 1, 2026, based upon and subject to the assumptions, explanations and limitations contained therein, the Consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders (other than Hudbay and its affiliates). See "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*" in this Circular. Securityholders are urged to read the Independent Fairness Opinion in its entirety. The full text of the Independent Fairness Opinion is attached as Appendix "D" to this Circular.

(f) **Financial Advisor Fairness Opinion.** The Independent Directors and the Board have received the fairness opinion provided by Scotiabank, which states that, as of March 1, 2026, based upon and subject to the assumptions, qualifications and limitations contained therein, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders other than Hudbay and its affiliates. See "*The Arrangement – Fairness Opinions – Financial Advisor Fairness Opinion*" in this Circular. Securityholders are urged to read the Financial Advisor Fairness Opinion in its entirety. The full text of the Financial Advisor Fairness Opinion is attached as Appendix "E" to this Circular.

(g) **Tax Treatment.** The Consideration payable to Shareholders by Hudbay is exclusively payable in Hudbay Shares. The exchange of Common Shares for Hudbay Shares under the Arrangement is intended to be a tax deferred transaction for Canadian and United States federal income tax purposes. However, as discussed further in "*Certain United States Federal Income Tax Considerations*" in this Circular, if the Company is treated as a passive foreign investment company with respect to a U.S. Holder, then absent an applicable exception or election (which are described below), under proposed U.S. Treasury Regulations certain U.S. Holders may recognize gain on the Arrangement

under the rules applicable to excess distributions and dispositions of PFIC stock, regardless of whether the Arrangement otherwise qualifies as a reorganization for U.S. federal income tax purposes. Shareholders should consult "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*" in this Circular.

(h) **Support of Directors and Officers and Other Management.** The directors, officers and other members of management of the Company, who together hold an aggregate of approximately 1.17% of the outstanding Common Shares and approximately 4.75% of the issued and outstanding Securities that will have voting rights at the Company Meeting, in each case as of the Record Date, have entered into the Support Agreements pursuant to which, and subject to the terms thereof, they have agreed, among other things, to vote their respective Securities in favour of the Arrangement Resolution.

(i) **Ability to Respond to Unsolicited Superior Proposals.** Subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited *bona fide* written proposal that, if consummated substantially consistent with its terms, could reasonably be expected to lead to a Superior Proposal under the Arrangement Agreement, subject to customary limitations, including a right to match in favour of Hudbay. The amount of the Termination Payment payable in certain circumstances, being $70,000,000 (or approximately 3.5% of the implied Consideration value based on the closing price of the Common Shares on the TSX as at February 27, 2026), is within the range of termination fees that are considered reasonable for transactions of this size and nature and would not, in the view of the Independent Directors or the Board, preclude a third party from potentially making a Superior Proposal. Likewise, the Support Agreements terminate in the event that the Arrangement Agreement is terminated by the Company, permitting the Securityholders party thereto to support a transaction involving a Superior Proposal.

(j) **Negotiated Transaction.** The Arrangement Agreement is the result of a comprehensive negotiation process with Hudbay that was undertaken by the Company, under the direction of the Independent Directors, and the Company's legal, financial and other advisors. The Arrangement Agreement includes terms and conditions that are reasonable in the view of the Board and the Independent Directors.

(k) **Fairness of the Conditions.** The Arrangement provides for certain conditions to complete the Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied in the judgement of the Board and the Independent Directors.

(l) **Expense Reimbursement**. Subject to the terms of the Arrangement Agreement, in the event that the Arrangement is not completed by the Outside Date as a result of the failure to obtain the CFIUS Clearance, Hudbay will be required to reimburse the Company up to $2,000,000 for expenses incurred by the Company by pursuing the Arrangement.

(m) **Oversight by Independent Directors**. The Independent Directors, being all of the directors of the Company (other than George Ogilvie, Chief Executive Officer and President of the Company) held in-camera meetings at each meeting of the Board to independently consider the Arrangement and provide oversight and direction of any decision-making with respect to the Arrangement and the Arrangement Agreement, including considering the effects of Mr. Ogilvie receiving a "collateral benefit" in connection with the Arrangement within the meaning of MI 61-101.

(n) **Securityholder Approval and Disinterested Shareholder Approval.** The Arrangement Resolution must be approved at the Company Meeting by the affirmative

vote of at least (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting on the basis of one vote per Common Share held; (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or represented by proxy and entitled to vote at the Company Meeting, voting together as a single class, on the basis of one vote per Common Share held and one vote for each Common Share that the holder of each Option, RSU and DSU, as applicable, would have received on a valid exercise or settlement of such holder's Options, RSUs and DSUs, as applicable, without reference to any vesting provisions or exercise price; and (iii) a simple majority of the votes cast by Shareholders on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting, excluding certain persons required to be excluded in accordance with MI 61-101.

(o) **Court Approval.** The Arrangement must be approved by the Court, which will consider the substantive and procedural fairness of the Arrangement.

(p) **Dissent Rights.** The terms of the Plan of Arrangement provide that Registered Shareholders as of the Record Date and as of the deadline for exercising Dissent Rights have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Dissent Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement. See "*The Arrangement – Dissenting Shareholders' Rights*" in this Circular for detailed information regarding the Dissent Rights of Registered Shareholders in connection with the Arrangement.

See "*The Arrangement – Reasons for the Arrangement*" in this Circular.

Support Agreements

The Supporting Securityholders have entered into the Support Agreements with Hudbay pursuant to which they have agreed to, among other things, vote in favour of the Arrangement Resolution. As of the Record Date, the Supporting Securityholders held a total of approximately 1.17% of the outstanding Common Shares and approximately 4.75% of the outstanding Securities that will have voting rights at the Company Meeting.

See "*The Arrangement – Support Agreements*" in this Circular.

Conditions to Completion of the Arrangement

The implementation of the Arrangement is subject to a number of conditions being satisfied or waived by the Company and Hudbay, as applicable, at or prior to the Effective Time, including the following:

(a) the Arrangement Resolution shall have been approved and adopted by the Securityholders at the Company Meeting in accordance with the Interim Order;

(b) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and will not have been set aside or modified in any manner unacceptable to either the Company or Hudbay, each acting reasonably, on appeal or otherwise;

(c) no Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Law which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting the consummation of the Arrangement;

(d) the Consideration Shares shall be exempt from the registration requirements of the

U.S. Securities Act pursuant to section 3(a)(10) thereof;

(e) the distribution of the Consideration Shares shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces and territories of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws;

(f) the Consideration Shares shall have been approved for listing on the NYSE (subject only to official notice of issuance) and the TSX (subject only to customary conditions);

(g) all of the Specified Regulatory Approvals shall have been obtained; and

(h) the Arrangement Agreement shall not have been terminated in accordance with its terms.

Completion of the Arrangement Agreement is subject to a number of additional conditions precedent, which are for the exclusive benefit of Hudbay and may be waived by Hudbay. The conditions include:

(a) all covenants of the Company under the Arrangement Agreement to be performed on or before the Effective Time shall have been performed by Hudbay in all material respects;

(b) the representations and warranties of the Company shall be true and correct in all respects as of the date of the Arrangement Agreement and as of the Effective Time, subject to certain qualifications and exceptions;

(c) between the date of the Arrangement Agreement and the Effective Time, there shall not have occurred a Company Material Adverse Effect;

(d) there shall not be pending or threatened in writing any suit, action or proceeding by any Governmental Entity that would reasonably be expected to result in a prohibition or material restriction on the acquisition by Hudbay of any Common Shares, or any material restriction or prohibition of the consummation of the transactions contemplated by the Arrangement; and

(e) holders of no more than 5% of the Common Shares shall have exercised Dissent Rights.

Completion of the Arrangement Agreement is also subject to number of additional conditions precedent which are for the exclusive benefit of the Company and may be waived by the Company. The conditions include:

(a) all covenants of Hudbay under the Arrangement Agreement to be performed on or before the Effective Time shall have been performed by Hudbay in all material respects;

(b) the representations and warranties of Hudbay shall be true and correct in all respects as of the date of the Arrangement Agreement and as of the Effective Time, subject to certain qualifications and exceptions;

(c) Hudbay shall have deposited the Consideration Shares with the Depositary in escrow in accordance with the Arrangement Agreement and the Depositary shall have

confirmed receipt of same; and

(d) between the date of the Arrangement Agreement and the Effective Time, there shall not have occurred a Hudbay Material Adverse Effect.

See "*The Arrangement Agreement – Conditions to Closing*" in this Circular.

Non-Solicitation and Right to Match

In the Arrangement Agreement, the Company has agreed, subject to certain exceptions, that it will not, among other things, solicit or participate in any discussions or negotiations regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, and will give prompt notice to Hudbay should the Company receive such an inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or a request for non-public information in connection with an Acquisition Proposal. See "*The Arrangement Agreement – Non-Solicitation*" in this Circular.

In the case of a Superior Proposal, Hudbay has the right, but not the obligation, to amend the Arrangement Agreement such that the previously received Acquisition Proposal would cease to be a Superior Proposal. See "*The Arrangement Agreement – Superior Proposals and Right to Match*" in this Circular.

Termination of the Arrangement Agreement

The Company and Hudbay may mutually agree in writing to terminate the Arrangement Agreement and abandon the Arrangement at any time prior to the Effective Time. In addition, the Company or Hudbay may terminate the Arrangement Agreement and abandon the Arrangement at any time prior to the Effective Date if certain specific events, which are outlined in the Arrangement Agreement, occur. Depending on the termination event, the Termination Payment may be payable by the Company, or the Expense Reimbursement Payment may be payable by Hudbay.

See "*The Arrangement Agreement – Termination of the Arrangement Agreement*" in this Circular.

Fairness Opinions

The Board received a fairness opinion from Origin, which states that as of the date of such opinion, based upon and subject to the assumptions, explanations and limitations contained therein, the Consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders (other than Hudbay and its affiliates). The Board also received a fairness opinion from Scotiabank, which states that as of the date of such opinion, based upon and subject to the assumptions, qualifications and limitations contained therein, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders other than Hudbay and its affiliates.

See "*The Arrangement – Fairness Opinions*" in this Circular and Appendix "D" and Appendix "E" attached to this Circular.

Letter of Transmittal

A Letter of Transmittal for the Registered Shareholders is enclosed with this Circular. If the Arrangement becomes effective, in order to receive the physical certificate(s) or DRS Advice(s) representing Consideration Shares to which the Shareholder is entitled under the Plan of Arrangement in exchange for the Common Shares held, a Registered Shareholder must deliver the Letter of Transmittal properly completed and duly executed, together with the share certificate(s) or DRS Advice(s) representing their Common Shares and all other required documents to the Depositary at the address set forth in the Letter of Transmittal. If the Arrangement is not completed, the Letter of Transmittal will be of no effect and the Depositary will return all share certificates or DRS Advices representing the Common Shares to the holders thereof as soon as practicable at the address specified in the Letter of Transmittal.

Shareholders whose Common Shares are registered in the name of an Intermediary must contact their Intermediary to receive the Consideration.

Any certificate or DRS Advice which immediately prior to the Effective Time represented outstanding Common Shares that is not deposited with all other instruments required by the Plan of Arrangement on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a securityholder of the Company or Hudbay. On such date, the Consideration Shares to which the former registered holder of such certificate or DRS Advice was ultimately entitled shall be deemed to have been surrendered for no consideration to Hudbay.

Only Registered Shareholders are required to submit a Letter of Transmittal. **A Non-Registered Shareholder holding Common Shares through an Intermediary will not receive a Letter of Transmittal and should contact that Intermediary for instructions and carefully follow any instructions provided by such Intermediary.**

See "*The Arrangement – Exchange of Securities*" in this Circular.

No Fractional Shares to be Issued

No fractional Hudbay Shares will be issued pursuant to the Arrangement. Where the aggregate number of Hudbay Shares to be issued to any Person pursuant to the Plan of Arrangement would result in a fraction of a Hudbay Share being issuable, such number will be rounded down to the nearest whole Hudbay Share and no consideration will be paid in lieu of the issuance of a fractional Hudbay Share.

Withholding Rights

The Company, Hudbay and the Depositary, as applicable, will be entitled to deduct or withhold from any amounts payable pursuant to the Arrangement and under the Plan of Arrangement, such amounts as the Company, Hudbay or the Depositary, as the case may be, is or may be required or permitted to deduct or withhold with respect to such payment under the Tax Act, the U.S. Tax Code, or any provision of applicable Law.

See "*The Arrangement – Exchange of Securities – Withholding Rights*".

Court Approval of the Arrangement

Subject to the terms of the Arrangement Agreement, if the Arrangement Resolution is approved at the Company Meeting, the Company intends to apply to the Court for the Final Order. The hearing of the application for the Final Order is expected to be held at the courthouse of the Court at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time) May 14, 2026, or as soon thereafter as counsel may be heard, or at any other date and time and by any method as the Court may direct. Please see the Petition, attached as Appendix "I" to this Circular, and the Interim Order, attached as Appendix "C" to this Circular, for additional information on participating or presenting evidence at the hearing for the Final Order. At the hearing, the Court will consider, among other things, the substantive and procedural fairness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

See "*The Arrangement – Court Approval of the Arrangement*" in this Circular.

Specified Regulatory Approvals

Completion of the Arrangement is subject to certain regulatory approvals or filing requirements, including Competition Act Clearance, CFIUS Clearance and ICA Clearance. See "*The Arrangement – Regulatory and Securities Law Matters*".

Exchange Approval

Hudbay Shares are listed on the TSX and the NYSE. Common Shares are listed on the TSX and quoted for trading on the OTCQX Best Market.

On March 17, 2026, the TSX conditionally approved the listing of the Consideration Shares after completion of the Arrangement, and on April 1, 2026, the TSX conditionally approved

	the Arrangement, in each case subject to filing certain documents following the closing of the Arrangement. Delisting of the Common Shares following completion of the Arrangement will be subject to the satisfaction of customary delisting requirements of the TSX. Hudbay will seek the authorization of the NYSE to list the Consideration Shares, with such authorization to be obtained prior to the closing of the Arrangement.
Canadian Securities Law Matters	The Company is a reporting issuer in all provinces and territories of Canada, except for Québec. The Common Shares currently trade on the TSX and the OTCQX Best Market. Pursuant to the Arrangement, the Company will become a wholly-owned subsidiary of Hudbay. Following completion of the Arrangement, it is expected that the Common Shares will be delisted from the TSX and cease to be quoted on the OTCQX Best Market promptly following the completion of the Arrangement and Hudbay expects to apply to the applicable Canadian securities regulators to have the Company cease to be a reporting issuer in the applicable jurisdictions in Canada. The distribution of Hudbay Shares pursuant to the Arrangement will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian Securities Laws. The Hudbay Shares received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a "control distribution" as defined in NI 45-102, (ii) no unusual effort is made to prepare the market or to create a demand for Hudbay Shares, as the case may be, (iii) no extraordinary commission or consideration is paid to a person or company in respect of such trade, and (iv) if the selling security holder is an insider or officer of Hudbay, the selling security holder has no reasonable grounds to believe that Hudbay is in default of Canadian Securities Laws. Each Securityholder is urged to consult his or her professional advisors to determine the Canadian conditions and restrictions applicable to trades in Hudbay Shares issuable pursuant to the Arrangement. See "*The Arrangement – Regulatory and Securities Law Matters – Canadian Securities Law Matters*".
United States Securities Law Matters	The Consideration Shares have not been and will not be registered under the U.S. Securities Act or applicable securities laws of any state of the United States and will be issued in reliance upon the Section 3(a)(10) Exemption. The issuance of the Consideration Shares shall be exempt from, or not subject to, the applicable securities laws of any state of the United States or "blue sky" laws. Certain resale restrictions will apply to Securityholders who are "affiliates" of Hudbay (as defined in Rule 144 under the U.S. Securities Act) or were "affiliates" of Hudbay within the 90-day period prior to the Effective Date. See "*The Arrangement – Regulatory and Securities Law Matters – United States Securities Law Matters*" in this Circular.
Interests of Certain Directors and Senior Officers of the Company in the Arrangement	In considering the Board Recommendation, you should be aware that certain members of the Board and the senior officers of the Company have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Securityholders generally. See "*The Arrangement – Interests of Certain Persons in the Arrangement*" in this Circular.
Rights of Dissent	Pursuant to the Interim Order, Registered Shareholders as of both the Record Date and as of the deadline for exercising Dissent Rights have the right to dissent with respect to the

	Arrangement Resolution and, if the Arrangement becomes effective, to be paid (subject to applicable withholdings) the fair value of their Dissent Shares in accordance with the Dissent Procedures. A Registered Shareholder as of both the Record Date and the deadline for exercising Dissent Rights wishing to exercise rights of dissent with respect to the Arrangement must (i) send to the Company a written notice of dissent to the Arrangement Resolution, which written notice of dissent must be received by the Company c/o Osler, Hoskin & Harcourt LLP, Suite 3000 – 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1K8, Attention: Teresa Tomchak, by no later than 4:00 p.m. (Vancouver time) on May 7, 2026 or by 4:00 p.m. (Vancouver time) on the second business day immediately preceding the date that any adjourned or postponed Company Meeting is reconvened, and (ii) otherwise strictly comply with the Dissent Procedures. See "*The Arrangement – Dissenting Shareholders' Rights*" in this Circular. The text of Section 242(1)(a) of the BCBCA, which will be relevant in any dissent proceeding, is set forth in Appendix "H" to this Circular. It is recommended that you seek independent legal advice if you wish to exercise a right of dissent. Failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, may result in the loss of any right of dissent.
Risk Factors	There is a risk that the Arrangement may not be completed. If the Arrangement is not completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Additionally, failure to complete the Arrangement could materially and negatively impact the trading price of the Common Shares. The risk factors described under the heading "*Risk Factors*" and under the heading "*Risk Factors*" in Appendix "F" and Appendix "G" attached to this Circular should be carefully considered by Securityholders.
Canadian and United States Tax Considerations	Shareholders should carefully review the tax considerations described in this Circular and are urged to consult their own tax advisors in regard to their particular circumstances. See "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*" for a discussion of certain Canadian federal income tax considerations and certain United States federal income tax considerations, respectively.

THE ARRANGEMENT

Background to the Arrangement

The entering into of the Arrangement Agreement was the result of arm's length negotiations conducted between representatives of the Company, under the oversight and direction of the Independent Directors, and Hudbay, and each of their respective financial and legal advisors. The following is a summary of the principal events that preceded the March 2, 2026 public announcement of the execution of the Arrangement Agreement.

Since its initial public offering in November 2021, the Company has continued to advance the Cactus Project. The Company routinely enters into discussions with potential counterparties and, pursuant to customary confidentiality agreements, provides access to its confidential information through a virtual data room for purposes of discussions with these parties regarding potential transactions involving the Company and such parties.

A counterparty submitted a non-binding at-market offer to merge with the Company on April 18, 2024 in response to which, on May 3, 2024, the Company advised the counterparty in writing that, given the Company's current focus on advancing the Cactus Project to preliminary economic assessment in the coming months, it was premature to engage with the counterparty on a potential transaction, with further discussions occurring over the following two months, terminating at or about the end of June 2024.

In August 2024, the Company disclosed the results of a standalone preliminary economic assessment for the Cactus Project.

Subsequent to the release of the PEA, the Company received inbound inquiries from a number of interested parties but none led to a credible, bona fide expression of interest.

In September 2024, the Company was approached by Hudbay regarding a potential investment. On January 9, 2025, the Company announced that Hudbay had agreed to subscribe for 11,852,064 Common Shares at a price of $1.68 per Common Share for an aggregate subscription price of approximately $19.9 million. On January 31, 2025, the Company announced that Hudbay's final subscription increased to 11,955,270 Common Shares at a price of $1.68 per Common Share for a final aggregate subscription of approximately $20.1 million. As a result of the investment, Hudbay held a 9.99% interest in the Company. Concurrent with the investment, the Company also entered into an investor rights agreement with Hudbay, pursuant to which the Company granted certain customary investor rights to Hudbay, including pre-emptive rights permitting Hudbay to maintain its proportionate interest in the Company. Since the time of its initial investment, Hudbay has been a supportive shareholder of the Company, participating as an observer on the Company's Technical and Sustainability Committee of the Board and continuing to exercise its pre-emptive rights to maintain a 9.99% interest in the Company.

In October 2025, the Company disclosed the results of a pre-feasibility study on the Cactus Project and, on November 19, 2025, the Company filed the corresponding Cactus Technical Report.

On December 10, 2025, George Ogilvie, President and Chief Executive Officer of the Company, met with Peter Kukielski, President and Chief Executive Officer of Hudbay, to discuss the Company's performance during 2025 and the Company's plans for 2026. Mr. Kukielski reiterated Hudbay's support of the Company since its investment earlier in the year, and indicated Hudbay's interest in future discussions regarding a potential transaction with the Company. There was no discussion of terms of a potential transaction and no commitments were made by either party.

On December 29, 2025, the Company announced that, following preliminary consultation, the Company and Nuton LLC, a Rio Tinto Venture ("**Nuton**"), had mutually agreed to commence discussions in January with respect to an amicable early termination of the option to joint venture agreement on the Cactus Project that was initially entered into on December 14, 2023 (the "**OTJV Agreement**").

On January 12, 2026, Mr. Kukielski called Mr. Ogilvie to inform him that Hudbay intended to provide a non-binding letter of interest with respect to a proposed acquisition of the Company. Subsequent to the call, Mr. Kukielski sent a non-binding letter of interest, proposing to acquire all the Common Shares not already owned by Hudbay in exchange for 0.22 of a Hudbay Share for each Common Share. The proposed consideration implied an offer price of $6.60 per Common Share based on the closing price of the Hudbay Shares on the TSX on January 9, 2026, and a 27% premium to the closing price of the Common

Shares on the TSX of $5.20 on January 9, 2026. The proposal was also conditional upon the termination of the OTJV Agreement.

On January 13, 2026, Mr. Ogilvie emailed representatives of Nuton with respect to the proposed termination of the OTJV Agreement that was discussed at the end of December. The following day Mr. Ogilvie sent a proposal to Nuton regarding the termination of the OTJV Agreement.

On January 17, 2026, the Board met to receive an update regarding discussions with Hudbay. The Board received an update from management and a presentation from Scotiabank, the Company's financial advisor who had been retained since late 2023 to provide financial advice in connection with various strategic alternatives for the Company, regarding the initial proposal from Hudbay. Representatives of Osler, the Company's external legal counsel, were also present. During the meeting and at each subsequent meeting of the Board, the Independent Directors met in camera without Mr. Ogilvie or other members of management present to discuss the potential transaction and provide oversight and direction of any decision-making.

On January 20, 2026, Mr. Ogilvie telephoned Mr. Kukielski to provide feedback on the initial proposal and to confirm that the Company was not supportive of a transaction at the proposed share exchange ratio.

On January 22, 2026, Mr. Ogilvie and Mr. Kukielski again spoke regarding a potential transaction. Mr. Kukielski reviewed some of the merits of the initial Hudbay proposal and the market dynamics underlying the proposal. As a result of recent share price escalation for both Hudbay and the Company, the proposed exchange ratio represented an offer price of $7.31 per Common Share based on closing prices of the Common Shares and the Hudbay Shares on the TSX on January 21, 2026. Mr. Kukielski then requested exclusivity and an opportunity to conduct due diligence with a view to finalizing an offer and exchange ratio once the process was complete.

The following day, Mr. Ogilvie called Mr. Kukielski to advise that management would support a staged exclusivity and diligence period, provided that Mr. Kukielski was prepared to improve the Hudbay offer.

On January 24, 2026, Mark Gupta, Senior Vice President, Corporate Development and Strategy of Hudbay, provided a draft exclusivity agreement, which was subsequently negotiated by the parties and entered into on January 28, 2026. Following the entry into of the exclusivity agreement, Hudbay completed extensive due diligence.

On January 26, 2026, Mr. Ogilvie provided a draft agreement to terminate the OTJV Agreement to representatives of Nuton.

On February 10, 2026, during a call with Mr. Ogilvie, Mr. Kukielski presented a revised proposal to acquire the Company at a variable exchange ratio that would result in the Company receiving a fixed premium of 32% based on the respective 20-day volume-weighted average share prices on the TSX ("**VWAPs**") for each of the Company and Hudbay prior to announcement, which, at that time, represented an exchange ratio of 0.2254 of a Hudbay Share for each Common Share. The call was followed by a written non-binding letter of interest confirming the revised proposal. The revised exchange ratio implied an offer price of $7.92 per Common Share based on the closing price of the Hudbay Shares on the TSX on February 9, 2026, a 37% premium to the closing price of the Common Shares on February 9, 2026, and a 32% premium based on the respective 20-day VWAPs for each of the Company and Hudbay on February 9, 2026.

Mr. Ogilvie provided an update to the Board in writing, and a Board meeting was scheduled for the following day.

On February 11, 2026, the Board met to discuss the revised proposal and Hudbay's related request for an extension of exclusivity. Management and representatives of Scotiabank and Osler reviewed the terms of the revised proposal and various financial, legal and other considerations with the Board. During the meeting, the Board also discussed considerations regarding the need for an independent fairness opinion if a potential transaction were to be pursued. During an in-camera session of the Independent Directors, representatives of Osler reviewed with the directors their duties and responsibilities in consideration of a potential transaction, including the review and oversight and ultimate approval of any potential transaction. The Independent Directors discussed the engagement of a potential independent financial advisor to provide an independent opinion as to the fairness of any potential transaction from a financial point of view to the Shareholders.

The Independent Directors also discussed the merits and considerations associated with forming a special committee but determined that no material conflicts existed in respect of the proposed Arrangement and therefore a special committee was

not required as in-camera meetings of the Independent Directors would sufficiently and appropriately address any matters that may arise. After consideration, the Independent Directors directed management to meet with representatives of Hudbay to discuss a potential transaction and to assess whether Hudbay would be prepared to increase its offer price. The Independent Directors also authorized an extension of exclusivity to February 20, 2026.

On February 16, 2026, the Company entered into a termination agreement with Nuton terminating the OTJV Agreement. Prior to market opening on February 17, 2026, the Company disseminated a press release announcing the termination of the OTJV Agreement.

During the day on February 17, 2026, in furtherance of the direction of the Independent Directors, Messrs. Ogilvie, Nikolakakis and Hayduk met with Messrs. Kukielski, Lei and Gupta of Hudbay to discuss a potential transaction. During the meeting, the parties discussed various considerations regarding the value of the Cactus Project and the Company. The members of Company management confirmed to Hudbay that they would be prepared to support a transaction that provided 0.25 of a Hudbay Share for each Common Share. Based on recent trading prices, this implied an offer price of $8.89 per Common Share and a 44% premium to the closing price of the Common Shares on the TSX on February 13, 2026. The parties discussed the impacts of volatility in the markets on the offer price and exchange ratio. Representatives of Hudbay agreed to consider the views of management and to revert.

Late in the day on February 19, 2026, Mr. Kukielski called Mr. Ogilvie to discuss a revised proposal. Taking into account the share prices for both the Company and Hudbay, Mr. Kukielski proposed an offer of 0.235 of a Hudbay Share for each Common Share, which represented an implied offer price of $8.03 for each Common Share and a 27% premium based on the closing price of the Common Shares on the TSX on February 18, 2026 and a 38% premium based on the respective 20-day VWAPs for each of the Company and Hudbay. Subsequent to the call, Mr. Kukielski submitted a revised non-binding letter of intent to Mr. Ogilvie summarizing the revised proposal.

During the morning of February 20, 2026, the Board met with members of management, Scotiabank and Osler to discuss the revised proposal. The Board discussed at length considerations regarding the financial elements of the proposal and Hudbay's request to extend exclusivity to allow for final due diligence and to review subsequent trading in the each of Hudbay's and the Company's share prices. The Independent Directors also met to consider the proposal and considerations regarding potential independent fairness opinion providers. The Independent Directors directed Mr. Ogilvie to request that Hudbay improve its offer in order to obtain the support of the Board and to further extend exclusivity.

Later that day Mr. Ogilvie telephoned Mr. Kukielski to advise him that the proposed exchange ratio of 0.235 of a Hudbay Share for each Common Share was insufficient to garner the support of the Board and reiterated the exchange ratio of 0.25 of a Hudbay Share for each Common Share previously proposed by the Company. Later that day, Mr. Kukielski telephoned Mr. Ogilvie and advised that after discussions with Hudbay's advisors, Hudbay was prepared to submit a revised non-binding letter of intent at that exchange ratio to progress a deal expeditiously. The revised proposal represented an implied offer price of $8.55 for each Common Share and a 30% premium based on the closing price of the Common Shares on the TSX on February 20, 2026 and a 44% premium based on the respective 20-day VWAPs for each of the Company and Hudbay. Mr. Kukielski indicated a preference for announcement of a transaction prior to the market opening on March 2, 2026, and subsequently submitted a revised non-binding letter of intent to Mr. Ogilvie summarizing the revised proposal.

During the evening of February 20, 2026, the Board again met to consider the revised proposal and updated non-binding letter of intent tendered by Hudbay. Following extensive discussions with members of management, Scotiabank and Osler, the Board unanimously resolved to approve the entry into of the revised non-binding letter of intent with Hudbay. The Independent Directors subsequently met to discuss the engagement of an independent fairness opinion provider and after discussion, authorized the engagement of Origin, subject to negotiation of acceptable engagement terms. The Independent Directors directed that management finalize the terms of engagement with Origin on a fixed-fee basis.

Later that evening, the revised non-binding letter of intent was executed.

During the evening of February 21, 2026, representatives of Goodmans, counsel to Hudbay, provided a draft Arrangement Agreement to representatives of Osler on behalf of the Company. During the following days and leading up to announcement, representatives of Osler and Goodmans exchanged phone calls to discuss terms and exchanged drafts of the Arrangement Agreement and form of Support Agreement in an effort to finalize the terms of the proposed transaction.

Over the course of the weekend, representatives of the Company and Hudbay also undertook commercial discussions regarding elements of the proposed transaction.

On February 23, 2026, representatives of the Company, Scotiabank and Osler met with representatives of Hudbay, TD Securities Inc., financial advisor to Hudbay, and Goodmans to discuss the proposed transaction. The parties discussed transaction documentation and Hudbay's ongoing due diligence, as well as the completion of due diligence by the Company and its advisors in respect of Hudbay.

On February 24, 2026, representatives of Osler provided revised drafts of the Arrangement Agreement and Support Agreement back to representatives of Goodmans.

On February 25, 2026, discussions between management representatives of the Company and Hudbay and between Osler and Goodmans occurred regarding the transaction documentation and proposed transaction terms.

On February 26, 2026, senior executive representatives of Hudbay provided a management presentation and due diligence question and answer session to senior management representatives of the Company, Scotiabank and Osler.

During the afternoon of February 26, 2026, the Independent Directors met to receive an update from representatives of Origin regarding their work.

During the evening of February 26, 2026, representatives of Goodmans provided revised drafts of the Arrangement Agreement and form of Support Agreement to representatives of Osler.

During the afternoon of February 27, 2026, Mr. Kukielski telephoned Mr. Ogilvie to advise him of the status of Hudbay's due diligence and concerns relating to the significant increases in the share prices of both Hudbay and the Company. Later that afternoon, Mr. Kukielski telephoned Mr. Ogilvie to advise that, in light of recent share price movements since execution of the letter of intent and the materially increased implied premium under the proposed exchange ratio, Hudbay was no longer prepared to proceed with the proposed transaction at a 0.25 exchange ratio. Mr. Kukielski advised that Hudbay was prepared to proceed at an exchange ratio of 0.242 of a Hudbay Share for each Common Share. While the exchange ratio was lower, this represented the same premium to the price per Common Share agreed under the non-binding letter of intent executed by the parties on February 20, 2026. The amended proposal provided a 30% premium to the closing price of the Common Shares on the TSX on February 27, 2026, and a 36% premium based on the respective 20-day VWAPs for each of the Company and Hudbay. The amended proposal provided an implied offer price of $9.35 based on the closing price of the Hudbay Shares on the TSX on February 27, 2026, and a 9% improvement compared to the non-binding letter of intent delivered by Hudbay on February 20, 2026. Mr. Kukielski subsequently provided an amended non-binding letter of intent and confirmed that a 0.242 exchange ratio was a "best and final" offer from Hudbay.

During the evening of February 27, 2026, the Board met to receive an update on discussions with Hudbay and to receive information from members of management, Scotiabank and Osler.

During the afternoon of February 28, 2026, the Board again met to consider the amended proposal. During the meeting the Board received a presentation on financial considerations from representatives of Scotiabank in respect of the amended proposal. Following their presentation, members of management and representatives of Scotiabank left the meeting and representatives of Origin joined the meeting with only the Independent Directors and representatives of Osler. They confirmed that Origin was unconflicted and that Origin's compensation was on a fixed fee basis and not contingent on the outcome of the proposed transaction. Origin provided a presentation regarding their work completed to date and their preliminary financial analysis regarding the proposed transaction in respect of the amended proposal to the Independent Directors. Following the meeting, members of management rejoined the meeting. Discussions continued regarding each of the presentations from Scotiabank and Origin and due diligence undertaken, and representatives of Osler provided an overview of the terms of the transaction documentation. During the meeting the Independent Directors confirmed their support for proceeding with the transaction as proposed by Hudbay, provided that the terms of the transaction documents were reasonably acceptable to the Company and consistent with market practice.

Following the Board meeting, representatives of Osler provided further revised drafts of the Arrangement Agreement and the form of Support Agreement to representatives of Goodmans. Discussions continued throughout the weekend between senior management of the Company and Hudbay and between Osler and Goodmans.

During the late afternoon on March 1, 2026, the Board held a virtual meeting to consider the Arrangement. Members of management and Osler were in attendance. At the meeting, representatives of Scotiabank joined to provide further views on the financial terms of the proposed Arrangement and the financial work they had undertaken in the preparation of their opinion. Following their presentation, Scotiabank delivered its oral opinion to the Board that, as of March 1, 2026, based upon and subject to the assumptions, qualifications and limitations to be set forth in the written Financial Advisor Fairness Opinion, the Consideration to be received by the Shareholders pursuant to the Arrangement was fair from a financial point of view to the Shareholders other than Hudbay and its affiliates. Following the presentation, representatives of Scotiabank excused themselves from the meeting. Representatives of Origin joined the meeting and delivered Origin's oral opinion to the Board that, as of March 1, 2026, based upon and subject to the assumptions, explanations and limitations to be set forth in the written Independent Fairness Opinion, the Consideration to be received by Shareholders pursuant to the Arrangement was fair, from a financial point of view, to Shareholders (other than Hudbay and its affiliates). Representatives of Osler then reviewed in detail the proposed terms of the Arrangement, the Arrangement Agreement and the Support Agreement. Osler also reviewed with the Board the analysis conducted under MI 61-101 in respect of a collateral benefit to be received by Mr. Ogilvie in respect of the Arrangement, as he beneficially owns or exercises control or direction over more than 1% of the Company's outstanding Common Shares, and the need for a majority of the minority vote, excluding Mr. Ogilvie. Senior members of management then provided management's views as to the terms of the proposed Arrangement. Following extensive discussions, members of management left the meeting to permit the Independent Directors to deliberate.

The Independent Directors received a further review from Osler regarding the process undertaken by the directors, their duties as directors in the circumstances and the business judgment rule. Following the discussion, the Independent Directors had an extensive discussion and upon consideration of a number of factors, including the terms of the Arrangement and Arrangement Agreement, and relying on the advice of financial, legal and other advisors and discussions with management, including the Independent Fairness Opinion and the Financial Advisor Fairness Opinion, the Independent Directors unanimously determined that the Arrangement was in the best interests of the Company and fair to the Shareholders (other than Hudbay and its affiliates) and unanimously approved the making of a recommendation to the Board to approve the Arrangement and the Board's making of a recommendation to Shareholders that Shareholders vote in favour of the Arrangement Resolution.

After the discussion, senior members of management joined the meeting. The Chair of the Board reviewed with the Board the financial and legal advice received, including the Independent Fairness Opinion and the Financial Advisor Fairness Opinion, and the unanimous recommendation of the Independent Directors, the Board unanimously determined that the Arrangement was in the best interests of the Company and fair to the Shareholders (other than Hudbay and its affiliates) and unanimously approved the entry into of the Arrangement Agreement and the making of a recommendation to Shareholders that Shareholders vote in favour of the Arrangement Resolution.

During the afternoon and late evening of March 1, 2026, the terms of the Arrangement Agreement and Plan of Arrangement were finalized between the parties and entered into.

The Arrangement was announced by way of joint press release prior to market open on the morning of March 2, 2026.

Reasons for the Arrangement

In making their recommendation to the Board, the Independent Directors consulted with representatives of the Company's management, Scotiabank, Origin and Osler, received the oral Independent Fairness Opinion and the oral Financial Advisor Fairness Opinion, reviewed a significant amount of information and considered a number of factors, including the terms of the Arrangement, the Arrangement Agreement and those listed below. The Independent Directors recommended the approval of the Arrangement based upon the totality of the information presented and considered by them. These same factors were considered by the Board, as a whole, in making the Board's unanimous decision and recommendation to Shareholders that Shareholders vote in favour of the Arrangement Resolution.

The following summary is not intended to be exhaustive but sets out the material information and factors considered by the Independent Directors and the Board in evaluating the Arrangement. In view of the variety of factors and the amount of information considered in connection with the evaluation of the Arrangement, neither the Independent Directors nor Board

found it practicable to, and did not, quantify or otherwise assign any relative weight to the specific factors considered in reaching their conclusions and recommendations. The recommendation of the Independent Directors and the recommendation of the Board were made after consideration of the factors noted below, the terms of the Arrangement and Arrangement Agreement, other factors and in light of the directors' knowledge of the industry, business, financial condition and prospects of the Company and taking into account the advice of the financial, legal and other advisors to the directors and the Company. Individual directors may have assigned different weights to different factors. Various factors, including the following, were considered by the Independent Directors and the Board:

- **Immediate and Significant Premium to Shareholders.** The Consideration implies a value of $9.35 per Common Share based on the closing price of the Hudbay Shares on the TSX as at February 27, 2026, and represents a premium of 30% to the closing price of the Common Shares on the TSX as at February 27, 2026 and a premium of 36% based on the 20-day volume-weighted average price of the Common Shares on the TSX as at February 27, 2026, being the last trading day prior to the entering into of the Arrangement Agreement.

- **Exposure to a Diversified and High-Quality Asset Portfolio.** The Arrangement provides Securityholders with the opportunity to retain exposure to the Cactus Project, while also gaining exposure to Hudbay's established, Americas-focused and diversified asset base with its robust operating platform, assets generating meaningful free cash flow and a strong pipeline of copper growth projects.

- **Reduced Execution and Financing Risk of the Cactus Project Development.** The Company's strong local relationships in Arizona combined with Hudbay's established business and proven ability to develop and operate large-scale copper projects and the operational synergies realized through combining operations in the same region reduce overall execution risk for the development of the Cactus Project. In addition, Hudbay's well-capitalized balance sheet and ability to generate meaningful cash flow reduce the risk that extensive dilutive financing would be required to finance the development of the Cactus Project. In making this assessment, the Independent Directors and the Board considered, among other things, the current and anticipated future opportunities, needs and risks associated with the financing and development of the Cactus Project by the Company as an independent public entity.

- **Improved Capital Markets Visibility and Trading Liquidity.** Hudbay is a well-established operating company listed on both the TSX and NYSE. Securityholders will gain ownership in a larger, significantly more liquid and diversified operating company in Hudbay with broader analyst coverage, enhanced access to capital markets and consistent dividend payments.

- **Independent Fairness Opinion.** The Independent Directors and the Board have received an independent fairness opinion provided by Origin, which states that, as of March 1, 2026, based upon and subject to the assumptions, explanations and limitations contained therein, the Consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders (other than Hudbay and its affiliates). See "*The Arrangement – Fairness Opinions – Independent Fairness Opinion*" in this Circular. The full text of the Independent Fairness Opinion is attached as Appendix "D" to this Circular. Securityholders are urged to read the Independent Fairness Opinion in its entirety.

- **Financial Advisor Fairness Opinion.** The Independent Directors and the Board have received the fairness opinion provided by Scotiabank, which states that, as of March 1, 2026, based upon and subject to the assumptions, qualifications and limitations contained therein, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders other than Hudbay and its affiliates. See "*The Arrangement – Fairness Opinions – Financial Advisor Fairness Opinion*" in this Circular. The full text of the Financial Advisor Fairness Opinion is attached as Appendix "E" to this Circular. Securityholders are urged to read the Financial Advisor Fairness Opinion in its entirety.

- **Tax Treatment.** The Consideration payable to Shareholders by Hudbay is exclusively payable in Hudbay Shares. The exchange of Common Shares for Hudbay Shares under the Arrangement is intended to be a tax deferred transaction for Canadian and United States federal income tax purposes. However, as discussed further in "*Certain United States Federal Income Tax Considerations*" in this Circular, if the Company is treated as a passive foreign investment company with respect to a U.S. Holder, then absent an applicable exception or election (which are

described below), under proposed U.S. Treasury Regulations certain U.S. Holders may recognize gain on the Arrangement under the rules applicable to excess distributions and dispositions of PFIC stock, regardless of whether the Arrangement otherwise qualifies as a reorganization for U.S. federal income tax purposes. Shareholders should consult "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*" in this Circular.

- **Support of Directors, Officers and Other Management.** The directors, officers and other members of management of the Company, who together hold an aggregate of approximately 1.17% of the outstanding Common Shares and approximately 4.75% of the outstanding Securities that will have voting rights at the Company Meeting, in each case as of the Record Date, have entered into the Support Agreements pursuant to which, and subject to the terms thereof, they have agreed, among other things, to vote their respective Securities in favour of the Arrangement Resolution.

- **Ability to Respond to Unsolicited Superior Proposals.** Subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited *bona fide* written proposal that, if consummated substantially consistent with its terms, could reasonably be expected to lead to a Superior Proposal under the Arrangement Agreement, subject to customary limitations, including a right to match in favour of Hudbay. The amount of the Termination Payment payable in certain circumstances, being $70,000,000 (or approximately 3.5% of the implied Consideration value based on the closing price of the Common Shares on the TSX as at February 27, 2026), is within the range of termination fees that are considered reasonable for transactions of this size and nature and would not, in the view of the Independent Directors or the Board, preclude a third party from potentially making a Superior Proposal. Likewise, the Support Agreements terminate in the event that the Arrangement Agreement is terminated by the Company, permitting the Securityholders party thereto to support a transaction involving a Superior Proposal.

- **Negotiated Transaction.** The Arrangement Agreement is the result of a comprehensive negotiation process with Hudbay that was undertaken by the Company, under the direction of the Independent Directors, and the Company's legal, financial and other advisors. The Arrangement Agreement includes terms and conditions that are reasonable in the view of the Board and the Independent Directors.

- **Fairness of the Conditions.** The Arrangement provides for certain conditions to complete the Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied in the judgement of the Board and the Independent Directors.

- **Expense Reimbursement**. Subject to the terms of the Arrangement Agreement, in the event that the Arrangement is not completed by the Outside Date as a result of the failure to obtain the CFIUS Clearance, Hudbay will be required to reimburse the Company up to $2,000,000 for expenses incurred by the Company by pursuing the Arrangement.

- **Oversight by Independent Directors**. The Independent Directors, being all of the directors of the Company (other than George Ogilvie, Chief Executive Officer and President of the Company) held in-camera meetings at each meeting of the Board to independently consider the Arrangement and provide oversight and direction of any decision-making with respect to the Arrangement and the Arrangement Agreement, including considering the effects of Mr. Ogilvie receiving a "collateral benefit" in connection with the Arrangement within the meaning of MI 61-101.

- **Securityholder Approval and Disinterested Shareholder Approval.** The Arrangement Resolution must be approved at the Company Meeting by the affirmative vote of at least (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting on the basis of one vote per Common Share held; (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or represented by proxy and entitled to vote at the Company Meeting, voting together as a single class, on the basis of one vote per Common Share held and one vote for each Common Share that the holder of each Option, RSU and DSU, as applicable, would have received on a valid exercise or settlement of such holder's Options, RSUs and DSUs, as applicable, without reference to any vesting provisions or exercise price; and (iii) a simple majority of the votes cast by Shareholders on the Arrangement Resolution by Shareholders

present virtually or represented by proxy and entitled to vote at the Company Meeting, excluding certain persons required to be excluded in accordance with MI 61-101.

- **Court Approval.** The Arrangement must be approved by the Court, which will consider the substantive and procedural fairness of the Arrangement.

- **Dissent Rights.** The terms of the Plan of Arrangement provide that Registered Shareholders as of both the Record Date and as of the deadline for exercising Dissent Rights have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Dissent Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement. See "*The Arrangement – Dissenting Shareholders' Rights*" in this Circular for additional information regarding the Dissent Rights of Registered Shareholders in connection with the Arrangement.

The Board and the Independent Directors also considered a number of potential risks and negative factors related to the Arrangement and the Arrangement Agreement, including, among other things:

- the risks to the Company and its Securityholders if the Arrangement is not completed, including the costs to the Company in pursuing the Arrangement, the diversion of the Company's management from the conduct of the Company's business in the ordinary course and the potential impact on the Company's current business and stakeholder relationships;

- the risks to the Company and its Securityholders if the Arrangement were to not complete and the Company were to determine to pursue a standalone development of the Cactus Project, including the potential challenges in connection with raising the necessary capital to finance the development of the Cactus Project, together with the anticipated significant dilution arising from such financing;

- the fact that the Company ultimately pursued bilateral negotiations with Hudbay and did not pursue a formal auction or other process to solicit potential alternative buyers;

- the impact of an extremely volatile global market for copper and copper-related businesses and the impacts of these and other market influences on the Company's Common Share price over the prior 12- and 24- month periods;

- the conditions to complete the Arrangement, including the receipt of all Specified Regulatory Approvals, including the CFIUS Clearance, and the right of Hudbay to terminate the Arrangement Agreement under certain circumstances;

- the terms of the Arrangement Agreement in respect of restricting the Company from soliciting third parties to make an Acquisition Proposal and the specific requirements regarding what constitutes a Superior Proposal;

- the fact that the Hudbay Shares to be issued as Consideration under the Arrangement are based on a fixed Exchange Ratio and will not be adjusted based on fluctuations in the market value of the Common Shares or Hudbay Shares;

- the business, operations, assets, financial performance and condition, operating results and prospects of Hudbay, including the long-term expectations regarding Hudbay's operating performance;

- the Termination Payment payable to Hudbay under certain circumstances, including if the Company enters into an agreement with respect to a Superior Proposal;

- the terms of the Arrangement Agreement that require the Company to conduct its business in the ordinary course and prevent the Company from taking certain specified actions, which may delay or prevent the Company from taking certain actions to advance its business or a standalone Cactus Project pending consummation of the Arrangement; and

- the fact that, following the Arrangement, the Company will no longer exist as an independent public company and the Common Shares will be delisted from the TSX.

The Independent Directors' and the Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information and such information and assumptions are subject to various risks. This information should be read in light of the factors described under the section entitled "*Forward-Looking Statements*" and under the heading "*Risks Associated with the Arrangement*" in this Circular.

Fairness Opinions

Independent Fairness Opinion

In connection with the evaluation of the Arrangement, the Board received and considered, among other things, the Independent Fairness Opinion.

Pursuant to an engagement letter dated February 23, 2026, Origin was retained by the Company to provide, among other things, an independent opinion to the Board as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders pursuant to the Arrangement.

On March 1, 2026, at a meeting of the Board held to evaluate the proposed Arrangement, Origin delivered the oral Independent Fairness Opinion to the Board, which was subsequently confirmed in writing (and a copy of which is attached as Appendix "D" to this Circular). The Independent Fairness Opinion concluded that, as of March 1, 2026, based upon and subject to the assumptions, explanations and limitations set forth in the written Independent Fairness Opinion, the Consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders (other than Hudbay and its affiliates).

Shareholders are urged to read the Independent Fairness Opinion in its entirety. The summaries above and below are qualified in their entirety by reference to the full text of the written Independent Fairness Opinion attached as Appendix "D" to this Circular, which among other things, describe the credentials and independence of Origin, scope of review, assumptions and limitations, fairness opinion methodologies and certain additional factors considered by Origin in connection with the Independent Fairness Opinion. Origin provided the Independent Fairness Opinion solely for the information of the members of the Board (solely in their capacities as such), and the Independent Fairness Opinion was only one of many factors considered by the Board in connection with its evaluation of the Arrangement. The Independent Fairness Opinion does not address any other terms, aspects or implications of the Arrangement. The Independent Fairness Opinion may not be relied upon by any other person or used for any other purpose. Origin expressed no view as to, and its opinion did not address, the underlying business decision of the Company to effect or enter into the Arrangement. The Independent Fairness Opinion was not intended to be, and did not constitute, a recommendation as to how the Board or any Shareholder should vote or act on any matters relating to the proposed Arrangement, or otherwise. The Independent Fairness Opinion may not be reproduced, disseminated, quoted from or referred to (in whole or in part), without the prior written consent of Origin, which consent has been obtained for the purpose of the inclusion of the Independent Fairness Opinion in its entirety and the summary thereof in this Circular and the filing of the Independent Fairness Opinion as part of the Circular, with the applicable securities commissions, stock exchanges and other similar regulatory authorities in Canada.

Under the terms of its engagement, Origin received a fixed fee for rendering the Independent Fairness Opinion. The fees payable to Origin under the engagement letter are not contingent upon the conclusions reached by Origin in the Independent Fairness Opinion, or upon the successful completion of the Arrangement. In addition, the Company has agreed to reimburse Origin for all of its reasonable out-of-pocket expenses incurred in respect of its engagement (including the reasonable fees and disbursements of its legal counsel) and to indemnify Origin (and certain other persons) against certain liabilities which may arise out of its engagement.

In considering the fairness, from a financial point of view, of the Consideration to be received by the Shareholders (other than Hudbay and its affiliates) pursuant to the Arrangement, Origin relied upon the methodologies presented herein, as well as the assumptions, explanations and limitations set forth in the Independent Fairness Opinion, to determine a range of values for each of the Common Shares and the Hudbay Shares. Origin compared the range of values of the Common Shares with

the notional offer price being an implied value of $9.35 per Common Share as set forth in the Independent Fairness Opinion (the "**Notional Offer Price**"). In addition, as the Consideration to be received by Shareholders would be entirely in Hudbay Shares, Origin compared the value range of the Hudbay Shares with their current trading price per share. The closing price of the Hudbay Shares on the TSX on February 27, 2026, the last trading day prior to the delivery of the Independent Fairness Opinion, was $38.65.

In the context of the Independent Fairness Opinion, Origin considered the following principal methodologies: (1) Net Asset Value Analysis; (2) Precedent Transaction Analysis and (3) Comparable Trading Analysis.

Net Asset Value Analysis

Origin performed a net asset value ("**NAV**") analysis of the Company. This intrinsic valuation analysis considers the amount, timing and relative certainty of attributable projected, unlevered, after-tax free cash flows expected to be generated by the Company. Origin used the base case forecast ("**Base Case**") provided by the Company's management to value the mining assets, corporate overhead costs, and financial assets and liabilities to calculate the Company's fully diluted corporate NAV per share ("**NAV/PS**"). In performing its analysis, Origin relied on the financial model prepared by the Company's management, with certain adjustments made by Origin, including (i) applying consensus equity research analysts' estimates ("**Consensus Estimates**") for near-term copper prices and evaluating the Cactus Project under both management and consensus long-term copper price assumptions and (ii) applying certain increases Origin deemed appropriate in the circumstances to operating and capital cost assumptions based on discussions with Company management to reflect the inherent estimation uncertainty associated with preliminary feasibility study ("**PFS**") level project economics and the potential for cost escalation as the Cactus Project advances toward feasibility and construction and other inflationary effects generally. Company management confirmed the reasonableness of these adjustments for the purposes of Origin's analysis. Management of the Company provided projections for the Cactus Project which included estimates regarding future production levels, unadjusted operating costs, unadjusted capital costs, depreciation rates and tax rates.

This valuation methodology required assumptions to be made regarding future commodity prices, future foreign exchange rates, future cash flows and discount rates. As such, Origin compiled a summary of commodity and foreign exchange prices used by equity research analysts to determine consensus forecast pricing for the period from 2026 to 2030, along with equity research analysts' expected long-term commodity prices used throughout the forecast period. Origin also performed a weighted average cost of capital ("**WACC**") build-up to assess an appropriate discount rate for the Company, taking into account market-based inputs including the risk-free rate, equity risk premium, beta assumptions and a company-specific risk premium reflective of the Cactus Project's development stage. Based on this analysis, Origin selected a discount rate range of 10.0% – 11.0% to apply to the projected, attributable, unlevered, after-tax free cash flows. Origin believes this range reflects (i) the risk inherent in the Company based on current market conditions and the copper market environment and (ii) discount rates utilized by equity research analysts and other financial and industry participants in evaluating mining assets of a similar nature. Origin valued exploration assets not captured in the Base Case forecast based on an in-situ resource methodology, applying a multiple of US$0.038/lb CuEq to measured and indicated mineral resources derived from exploration drilling and modelling, which falls within the range of multiples utilized by equity research analysts in valuing copper exploration assets. Given the expected longer-dated nature of the potential development of such mineral resources, the resulting in-situ value was discounted to present value to reflect timing considerations.

Table 1: Key Assumptions for Company NAV Analysis

Commodity Pricing[(1)]	Consensus Copper Pricing (US$/lb) 2026 : $5.40 2027 : $5.30 2028 : $5.25 2029 : $5.25 2030 : $5.10 2031+: $4.75
Discount Rate[(2)]	10% - 11% for copper development assets & corporate G&A
Exploration Assets Value[(3)]	US$0.038/lb CuEq applied to measured and indicated unmodeled mineral resources, discounted to present value to reflect the longer-dated nature of potential development

Notes:

(1) Based on the average of the Consensus Estimates.

(2) Consistent with the discount rates used by equity research analysts when valuing copper development companies.
(3) Consistent with equity research analysts' valuation of copper exploration assets.

Summary of the Company NAV Analysis

To determine a Company NAV/PS, Origin relied on the internal financial model for the Cactus Project provided by Company management. Projected attributable unlevered, after-tax free cash flows under the Base Case were based on management's assumptions regarding production levels, operating costs and capital costs. Origin applied Consensus Estimates for near-term metal prices and evaluated the Cactus Project under two long-term copper price scenarios: (i) management's long-term copper price assumption (US$4.25/lb) and (ii) long-term consensus copper price estimates (US$4.75/lb). Origin also incorporated certain adjustments to operating and capital cost assumptions to reflect the inherent estimation uncertainty associated with PFS-level project economics and the potential for cost escalation as the Cactus Project advances toward feasibility and construction. Projected cash flows were discounted using a discount rate range of 10.0% to 11.0%.

Based on the analysis described above, Origin determined a NAV range of $7.33 to $11.79 per Common Share, with a midpoint of $9.56 per Common Share under the Base Case forecast.

Precedent Transactions Analysis

Origin reviewed publicly available information on selected acquisition transactions involving base metal developers with an emphasis on copper development companies. Origin reviewed the share price to NAV per share ("**P/NAV**") multiples based on consensus NAV at the time of each transaction, among other metrics and multiples, observable in previous transactions involving copper development companies in North America and other geographies, since 2014. The set of precedent transactions selected by Origin is set forth in Table 2 of the Independent Fairness Opinion.

Origin considered each of these transactions and the merits of the targets relative to the Company including:

a) The development stage of the asset(s) at announcement;
b) The size of the transaction;
c) Estimated mineral reserves;
d) Forecast operating and financial performance; and
e) Geographic diversification and exposure to various regulatory regimes.

The following table outlines the range of observed transaction multiples for the set of precedent transactions selected by Origin:

Table 3: Precedent Transactions Multiple Summary

Precedent Transactions	Multiple Observed
Avg. P / NAV	0.50x
Avg. P / NAV (excluding high/low)	0.49x
High	0.95x
Low	0.10x

Summary of Precedent Transactions Analysis

Based on the analysis described above, Origin applied a range of P/NAV multiples of 0.3x to 0.7x to (i) the Company's NAV/PS as implied by Origin's NAV analysis under long-term consensus copper pricing and a 10.0% discount rate and (ii) Consensus Estimates of the Company's NAV/PS. The selected range reflects the interquartile range of observed P/NAV trading multiples for comparable copper development and exploration companies. This methodology resulted in the following implied value ranges for the Common Shares:

Table 4: Precedent Transactions Implied Share Price Summary

Metric	ASCU
P / NAV (Base Case)	$3.54 - $8.25
P / NAV (Consensus)	$2.92 - $6.82

Origin did not apply a range of P/NAV multiples to Hudbay's NAV/PS as Hudbay is not undergoing a change of control.

Comparable Trading Analysis

The Company

Origin reviewed publicly available information regarding comparable North American and international copper development mining companies to determine P/NAV multiples on a one-year forecast basis as at February 27, 2026.

While there are several North American publicly-traded companies that are of similar size and mineral focus as the Company, Origin also reviewed the trading metrics of copper development mining companies outside of North America to develop a comprehensive set of copper development mining companies. None of the companies in the comparable company set are identical to the Company. Accordingly, an analysis derived from the multiples of P/NAV requires complex considerations and judgements concerning the similarities between the set of comparable companies and the Company as well as other qualitative and quantitative factors that may affect such multiples. The set of comparable companies selected by Origin is set forth in Table 5 of the Independent Fairness Opinion.

P/NAV is the most commonly used valuation methodology employed by equity research analysts and other financial and industry participants in evaluating assets of this nature and in determining the value per share of copper development mining companies. Using the P/NAV approach, Origin applied a range of P/NAV multiples to (i) the Company's NAV/PS as implied by Origin's NAV analysis under long-term consensus copper pricing and a 10.0% discount rate, and (ii) Consensus Estimates of the Company's NAV/PS.

The following table outlines the range of observed trading multiples for the set of comparable companies selected for ASCU:

Table 6: ASCU Comparable Companies Multiple Summary

Comparable Companies	Multiple Observed
Avg. P / NAV	0.62x
Avg. P / NAV (excluding high/low)	0.62x
High	0.98x
Low	0.32x

Summary of the Company's Comparable Companies Analysis

Based on the observed P/NAV trading multiples for the comparable companies, Origin applied an interquartile range of 0.5x to 0.8x to the Company's NAV/PS derived from the Company NAV analysis above and to Consensus Estimates of the Company's NAV/PS as at February 27, 2026. This methodology resulted in the following implied value ranges for the Common Shares:

Table 7: ASCU Implied Share Price Summary

Comparable Companies	ASCU
P / NAV (Base Case)	$5.89 - $9.43
P / NAV (Consensus)	$4.87 - $7.80

Origin also considered Hudbay's implied value ranges using Hudbay's comparable trading analysis which are described in further detail in the Independent Fairness Opinion.

Other Considerations

Although not part of their principal methodologies, Origin considered several other benchmarks, analyses, techniques and factors in arriving at the Independent Fairness Opinion including, but not limited to:

- Recent premiums paid on copper development companies change of control transactions in the last 24 months, which range from 12% to 72% with an average of 39%, based on the spot price prior to announcement. The Notional Offer Price represents a 30% premium to the spot price of the Company as of market close on February 27, 2026;

- The historical trading prices and relative share price performance of the (i) Common Shares on the TSX and (ii) the Hudbay Shares on both the TSX and NYSE, respectively;

- The implied historical exchange ratios based upon the trading prices of Common Shares and Hudbay Shares during the 52-week period ending on and including February 27, 2026;

- The range of equity research analysts' share price targets for each of Common Shares and Hudbay Shares, respectively, as of the close of markets on February 27, 2026; and

- Such other factors or analyses, which Origin has judged, based on the exercise of their professional judgement and their experience in rendering such opinions, to be relevant.

Financial Advisor Fairness Opinion

In connection with the evaluation of the Arrangement, the Board also received and considered, among other things, the Financial Advisor Fairness Opinion.

Pursuant to an engagement agreement dated November 28, 2023 (the "**Scotiabank Engagement Agreement**"), Scotiabank was retained by the Company as a financial advisor to provide various financial advisory services in connection with, among other things, a possible sale of all or a portion of the equity interests of the Company.

On March 1, 2026, at a meeting of the Board held to evaluate the proposed Arrangement, Scotiabank delivered the oral Financial Advisor Fairness Opinion to the Board, which was subsequently confirmed in writing (and a copy of which is attached as Appendix "E" to this Circular). The Financial Advisor Fairness Opinion concluded that, as of March 1, 2026, based upon and subject to the assumptions, qualifications and limitations set forth in the written Financial Advisor Fairness Opinion, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders other than Hudbay and its affiliates.

Shareholders are urged to read the Financial Advisor Fairness Opinion in its entirety. The summaries above and below are qualified in their entirety by reference to the full text of the written Financial Advisor Fairness Opinion attached as Appendix "E" to this Circular, which among other things describes the credentials and independence of Scotiabank, the relationship of Scotiabank with certain parties involved in the Arrangement, the scope of review undertaken by Scotiabank, the assumptions, qualifications and limitations related to the opinion, and certain additional factors considered by Scotiabank in connection with the Financial Advisor Fairness Opinion. Scotiabank provided the Financial Advisor Fairness Opinion for the sole use and benefit of the members of the Board (solely in their capacities as such) in connection with, and for the purpose of, its consideration of the Arrangement, and the Financial Advisor Fairness Opinion may not be relied upon by any other person or used for any other purpose. The Financial Advisor Fairness Opinion was only one of many factors considered by the Board in connection with its evaluation of the Arrangement.

The Financial Advisor Fairness Opinion was not intended to be, and did not constitute, a recommendation to the Board as to whether they should approve the Arrangement or to any Shareholder as to how such Shareholder should

vote or act with respect to the Arrangement or its Common Shares. The Financial Advisor Fairness Opinion does not address in any manner the prices at which the Company's or Hudbay's securities will trade at any time. The Financial Advisor Fairness Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to the Company or the Company's underlying business decision to effect the Arrangement. The Financial Advisor Fairness Opinion may not be reproduced, disseminated, quoted from or referred to (in whole or in part) without the prior written consent of Scotiabank, which consent has been obtained for the purpose of the inclusion of the Financial Advisor Fairness Opinion in its entirety and the summary thereof in this Circular and the filing of the Financial Advisor Fairness Option, as part of the Circular, with the applicable securities commissions, stock exchanges and other similar regulatory authorities in Canada.

In considering the fairness of the Consideration under the Arrangement Agreement from a financial point of view to the Shareholders other than Hudbay and its affiliates, Scotiabank performed a variety of financial and comparative analyses, including relating to the historical share price trading of the Company's shares, an analysis of precedent transactions, an analysis of comparable trading, a review of the Company's net asset value and other qualitative factors. In arriving at the Financial Advisor Fairness Opinion, Scotiabank did not attribute any particular weight to any specific analysis or factor, but rather made qualitative judgments based on its experience in rendering such opinions and on the circumstances and information as a whole.

Pursuant to the terms of its engagement with the Company, Scotiabank is to be paid fees for its services as financial advisor, a fixed portion of which was payable upon delivery of the Financial Advisor Fairness Opinion (with no part of such fee being contingent upon the conclusions reached by Scotiabank in the Financial Advisor Fairness Opinion) and a substantial portion of which is contingent on the successful completion of the Arrangement or any "Alternative Transaction" (as defined in the Scotiabank Engagement Agreement). Additionally, the Company has agreed to reimburse Scotiabank for reasonable out-of-pocket expenses incurred in respect of its engagement (including the reasonable fees and disbursements of its legal counsel) and to indemnify Scotiabank (and certain other persons associated with Scotiabank) in respect of certain liabilities which may arise out of its engagement.

Support Agreements

The Supporting Securityholders have entered into the Support Agreements with Hudbay pursuant to which they have agreed to, among other things, vote in favour of the Arrangement Resolution. As of the Record Date, the Supporting Securityholders held a total of: (i) 2,445,199 Common Shares, representing approximately 1.17% of the outstanding Common Shares, (ii) 6,420,275 Options, representing approximately 82.97% of the outstanding Options, (iii) 713,937 DSUs, representing approximately 100.00% of the outstanding DSUs and (iv) 781,940 RSUs, representing approximately 76.35% of the outstanding RSUs, for a total of approximately 4.75% of the outstanding Securities that will have voting rights at the Company Meeting.

The following summarizes certain material provisions of the Support Agreements. This summary may not contain all of the information about the Support Agreements that may be important to Securityholders and is qualified in its entirety by reference to the forms of Support Agreements, which are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Support Agreements establish, among other things, the agreement of the Supporting Securityholders party thereto to: (a) vote their Common Shares (i) in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and any other matter necessary for the consummation of the Arrangement and any of the other transactions contemplated by the Arrangement Agreement, and (ii) against any resolution, action, proposal, transaction or agreement proposed by any other Person, that could reasonably be expected to adversely affect or reduce the likelihood of the successful completion of the Arrangement or any of the other transactions contemplated by the Arrangement Agreement, or delay or interfere with the completion of the Arrangement or any of the other transactions contemplated by the Arrangement Agreement; (b) not exercise any rights to dissent or rights of appraisal in connection with the Arrangement; (c) not, directly or indirectly, or through any Representative, affiliate or otherwise, and not permit any such Person to: (i) solicit, assist, initiate, encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to or disclosure of, any information, facilities, books or records of the Company or any of its Subsidiaries) any inquiry, proposal or offer from any other Person that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal; (ii) engage or participate in or otherwise facilitate any discussions or negotiations with any Person (other than Hudbay and its affiliates) in respect of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal; or

(iii) accept or enter into, or publicly propose to accept or enter into, any Contract (including any letter of intent, agreement in principle, agreement, arrangement or understanding) relating to any Acquisition Proposal; (d) immediately cease any existing solicitation, encouragement, discussion or negotiation with any Person (other than Hudbay and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal; (e) not requisition or join in the requisition of any meeting of the Shareholders for the purpose of considering any resolution in connection with an Acquisition Proposal, other than the resolution in respect of the Arrangement; (f) not take any other action of any kind that might, directly or indirectly, reasonably be expected to interfere with the successful and timely completion of the Arrangement or any of the other transactions contemplated by the Arrangement Agreement; and (g) not (i) transfer, or enter into any agreement, option or other arrangement (including any profit sharing arrangement, forward sale or other monetization arrangement) with respect to the transfer of, any of their Securities to any Person, other than pursuant to the Arrangement Agreement, or (ii) agree to take any of the foregoing actions, subject, in the case of (c), to certain customary exceptions.

The Support Agreements automatically terminate upon the earliest to occur of: (a) the Effective Time; (b) the date on which the Arrangement Agreement is terminated in accordance with its terms; (c) the date Hudbay, without consent of the Supporting Securityholder, decreases the Consideration or changes the form of Consideration payable pursuant to the Arrangement Agreement in a manner that is adverse to the undersigned in its capacity as a securityholder of the Company (provided that, a decrease in the trading price of the Consideration Shares will not constitute a decrease in the Consideration) or the terms of the Arrangement Agreement are varied in a manner that is materially adverse to the undersigned in its capacity as a securityholder of the Company; and (d) the Outside Date.

The Supporting Securityholders are bound under the Support Agreements solely in their capacity as Securityholders. Nothing in the Support Agreements limit or restrict any actions the Supporting Securityholder may take in the Supporting Securityholder's capacity as director, officer or consultant of the Company, or limit in any way whatsoever the exercise of the Supporting Securityholder's fiduciary duties as director, officer or consultant of the Company.

Plan of Arrangement

The following description is a summary of the Plan of Arrangement and is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached as Appendix "B" to this Circular.

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order, without any further authorization, act or formality:

(a) notwithstanding the terms of the Shareholder Rights Plan, the Shareholder Rights Plan shall be terminated, and all rights issued pursuant to the Shareholder Rights Plan shall be cancelled without any payment in respect thereof and the Shareholder Rights Plan shall be of no further force or effect;

(b) notwithstanding any vesting or redemption or other provisions to which a DSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the DSU Plan governing such DSU), each DSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action by any Person, be fully vested and transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the DSU Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such DSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon such DSUs shall be removed from the accounts of the holders of such DSUs maintained by the Company and each DSU shall immediately be cancelled and all agreements relating to the DSUs shall be terminated and shall be of no further force and effect;

(c) notwithstanding any vesting or settlement or other provisions to which an RSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the Equity Incentive Plan governing such RSU), each RSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the RSU Value in exchange therefor, which amount

shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such RSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such RSUs shall be removed from the accounts of the holders of such RSUs maintained by the Company and each RSU shall immediately be cancelled and all agreements relating to the RSUs shall be terminated and shall be of no further force and effect;

(d) notwithstanding any vesting or exercise or other provisions to which an Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Equity Incentive Plan governing such Option), each Option shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the Option Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such Option in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such Option shall be removed from the register of Options maintained by the Company, and the Equity Incentive Plan and each Option shall immediately be cancelled and all agreements relating to the Options shall be terminated and shall be of no further force and effect;

(e) each Dissent Share shall be and shall be deemed to be transferred and assigned by the holder thereof without any further act or formality on its part, free and clear of all Liens, to the Company in accordance with, and for the consideration contemplated in, Section 4.1 of the Plan of Arrangement, and:

(i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the registered holder of each such Dissent Share and the name of such registered holder shall be, and shall be deemed to be, removed from the central securities register of the Company in respect of each such Dissent Share, and at such time each Dissenting Shareholder will have only the rights set out in Section 4.1 of the Plan of Arrangement;

(ii) such Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Dissent Share; and

(iii) the Company shall be the holder of all of the outstanding Dissent Shares, free and clear of all Liens, and the central securities register of the Company shall be revised accordingly; and

(f) each Shareholder (which for avoidance of doubt, shall include former holders of DSUs, RSUs and Options that hold Common Shares following the Effective Time in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) of the Plan of Arrangement), other than Hudbay or a Dissenting Shareholder, shall transfer and assign their Common Shares, without any further act or formality by the Shareholder, free and clear of any Liens, to Hudbay in exchange for the allotment and issuance of the Consideration by Hudbay for each such Common Share so transferred, and in respect of the Common Shares so transferred:

(i) the registered holder thereof shall cease to be, and shall be deemed to cease to be, the registered holder of each such Common Share and the name of such registered holder shall be removed from the central securities register of Company;

(ii) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Common Share;

(iii) Hudbay shall be the holder of all of the outstanding Common Shares (other than Dissent Shares), free and clear of all Liens, and the central securities register of the Company shall be revised accordingly; and

(iv) each such former Shareholder shall, upon the issuance of the Consideration Shares in their name as contemplated in this Plan of Arrangement, be entered into the share register of Hudbay maintained by or on behalf of Hudbay in respect of the Consideration Shares issuable to such former Shareholder pursuant to Section 2.3(f) of the Plan of Arrangement.

Effect of the Arrangement

On completion of the Arrangement, Hudbay will hold all of the issued and outstanding Common Shares and the Company will be a wholly-owned subsidiary of Hudbay.

Effective Date of the Arrangement

If the Securityholder Approval is obtained, the Final Order is obtained approving the Arrangement, the Specified Regulatory Approvals are obtained, all requirements of the BCBCA relating to the Arrangement are complied with and all other conditions discussed below under the heading "*The Arrangement Agreement – Conditions to Closing*" are satisfied or waived, the Arrangement will become effective on the Effective Date.

Depositary Agreement

Prior to the Effective Date, the Company, Hudbay and the Depositary will enter into a depositary agreement relating to the Arrangement.

Pursuant to the Plan of Arrangement, Hudbay is required to deposit in escrow, or cause to be deposited in escrow, sufficient Hudbay Shares to satisfy the aggregate Consideration payable to the Shareholders (which for avoidance of doubt, shall include sufficient Hudbay Shares to satisfy the number of Hudbay Shares issued to holders of DSUs, RSUs and Options that hold Common Shares immediately prior to the Effective Time in accordance with the Plan of Arrangement).

Exchange of Securities

Letter of Transmittal

Registered Shareholders will have received a Letter of Transmittal with this Circular. In order to receive the Consideration, such Shareholders (other than the Dissenting Shareholders) must complete and sign the Letter of Transmittal enclosed with this Circular and deliver it and the other documents required by it, including the physical certificate(s) or DRS Advice(s) representing the Common Shares held by them, to the Depositary in accordance with the instructions contained in the Letter of Transmittal. Non-Registered Shareholders will not receive a Letter of Transmittal and must contact their Intermediary for instructions and assistance in receiving the Consideration for their Common Shares.

The Letter of Transmittal contains procedural information relating to the Arrangement and should be reviewed carefully. Registered Shareholders (other than the Dissenting Shareholders) can obtain additional copies of the Letter of Transmittal by contacting the Depositary at 1-866-600-5869 (North American toll-free) or +1 416-342-1091 (calls outside North America), or by email at tsxtis@tmx.com. The Letter of Transmittal is also available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Hudbay, in its absolute discretion, reserves the right to instruct the Depositary to waive or not to waive any and all defects or irregularities contained in any Letter of Transmittal or other document and any such waiver or non-waiver will be binding upon the affected Shareholders. The granting of a waiver to one or more Shareholders does not constitute a waiver for any other Shareholders. Hudbay reserves the right to demand strict compliance with the terms of the Letter of Transmittal and the Arrangement. The method used to deliver the Letter of Transmittal and any accompanying certificate(s) or DRS Advice(s) representing Common Shares is at the option and risk of the holder surrendering them, and delivery will be deemed effective only when such documents are actually received by the Depositary. The Company and Hudbay recommend that the necessary documentation be hand delivered to the Depositary, and a receipt obtained therefor; otherwise the use of registered mail with an acknowledgment of receipt requested, and with proper insurance obtained, is recommended.

Exchange Procedure

On the Effective Date, each former Shareholder (other than a Dissenting Shareholder and Hudbay or any of its affiliates) who has surrendered to the Depositary any certificate(s) or DRS Advice(s) representing one or more outstanding Common Shares shall, following completion of the transactions described above under the heading "*The Arrangement – Plan of Arrangement*" of this Circular, be entitled to receive, and the Depositary shall deliver to such former Shareholder as soon as practicable

following the Effective Time, the certificate(s) or DRS Advice(s) representing the Consideration Shares that such former Shareholder is entitled to receive in accordance with the terms of the Arrangement.

Upon surrender to the Depositary of a certificate or DRS Advice that, immediately before the Effective Time, represented one or more outstanding Common Shares that were exchanged for the Consideration in accordance with the terms of the Arrangement, together with a duly completed and executed Letter of Transmittal and such other documents and instruments as the Depositary or Hudbay may reasonably require, the registered holder of the Common Shares represented by such surrendered certificate or DRS Advice will be entitled to receive in exchange therefor, and the Depositary will deliver to such holder following the Effective Time, the certificate or DRS Advice representing the Consideration Shares that such holder is entitled to receive in accordance with the terms of the Arrangement.

In the event of a transfer of ownership of Common Shares which was not registered in the transfer records of the Company under the name of the transferee surrendering such certificate or DRS Advice, the Consideration that such registered holder has the right to receive, subject to the terms of the Arrangement, will be delivered to the transferee if the certificate or DRS Advice which immediately prior to the Effective Time represented Common Shares that were exchanged for the Consideration under the Arrangement is presented to the Depositary, accompanied by all documents reasonably required to evidence and effect such transfer.

After the Effective Time and until surrendered, each certificate or DRS Advice that immediately prior to the Effective Time represented one or more Common Shares, other than Common Shares already owned by Hudbay or its affiliates and the Dissent Shares, following completion of the transactions described above under the heading "*The Arrangement – Plan of Arrangement*", shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate or DRS Advice is entitled to receive in accordance with the terms of the Arrangement.

Shareholders who hold Common Shares registered in the name of an Intermediary should contact the Intermediary for instructions and assistance in providing details for registration and delivery of the Consideration to which the Non-Registered Shareholder is entitled.

No dividends or other distributions declared or made after the Effective Time with respect to Consideration Shares with a record date after the Effective Time will be paid to the holder of any certificate not surrendered or DRS Advice which immediately prior to the Effective Time represented outstanding Common Shares that were exchanged for Consideration Shares pursuant to the terms of the Arrangement until the holder of such certificate or DRS Advice has complied with the provisions of the Arrangement as described in the foregoing paragraphs under the heading "*Exchange Procedure*" or under the heading "*Lost Certificates or DRS Advices*". Subject to applicable law, at the time of such surrender of any such certificate or DRS Advice (or, in the case of clause (ii) below, at the appropriate payment date), there will be paid to the holder of the certificates or DRS Advices representing Common Shares that were exchanged for Consideration Shares pursuant to the Plan of Arrangement, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to the Consideration Shares to which such holder is entitled pursuant to the Plan of Arrangement, and (ii) to the extent not paid under clause (i), on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and the payment date subsequent to surrender payable with respect to such Consideration Shares.

The Company will process the cash payments payable to the holders of Options, DSUs and RSUs in accordance with the Plan of Arrangement through the payroll systems of the Company for the purposes of calculating, deducting and remitting the applicable Tax withholding amount required under applicable Law or in accordance with the Plan of Arrangement. For greater certainty, all payments to holders of Incentive Securities pursuant to the Plan of Arrangement, and any withholding of amounts in respect thereof, will be processed through the payroll systems of the Company.

DRS Advice

Where Common Shares are evidenced only by a DRS Advice, there is no requirement to first obtain a certificate for those Common Shares or deposit with the Depositary any Common Share certificate evidencing Common Shares. Only a properly completed and duly executed Letter of Transmittal, together with such DRS Advice and such other documents and instruments as the Depositary or Hudbay may reasonably require, is required to be delivered to the Depositary in order to surrender those Common Shares under the Arrangement. Hudbay reserves the right if it so elects in its absolute discretion to instruct the Depositary to waive any defect or irregularity contained in any Letter of Transmittal received by it.

Treatment of Options, DSUs and RSUs

Options

Pursuant to the Plan of Arrangement, notwithstanding any vesting or exercise or other provisions to which an Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Equity Incentive Plan governing such Option), each Option will, without any further action by or on behalf of a holder, be deemed to be fully vested and will be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof will be entitled to receive an amount equal to the Option Value in exchange therefor, which amount will be paid in part in cash (which will be used to satisfy the amount of any Tax withholding obligations in respect of such Option in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares. The name of the holder of such Option will be removed from the register of Options maintained by the Company, and the Equity Incentive Plan and each Option will immediately be cancelled and all agreements relating to the Options will be terminated and will be of no further force and effect.

DSUs

Pursuant to the Plan of Arrangement, notwithstanding any vesting or redemption or other provisions to which a DSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the DSU Plan governing such DSU), each DSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) will, without any further action by any Person, be fully vested and transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof will be entitled to receive an amount equal to the DSU Value in exchange therefor, which amount will be paid in part in cash (which will be used to satisfy the amount of any Tax withholding obligations in respect of such DSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares. Such DSUs will be removed from the accounts of the holders of such DSUs maintained by the Company and each DSU will immediately be cancelled and all agreements relating to the DSUs will be terminated and will be of no further force and effect.

RSUs

Pursuant to the Plan of Arrangement, notwithstanding any vesting or settlement or other provisions to which an RSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the Equity Incentive Plan governing such RSU), each RSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) will, without any further action by or on behalf of a holder, be deemed to be fully vested and will be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof will be entitled to receive an amount equal to the RSU Value in exchange therefor, which amount will be paid in part in cash (which will be used to satisfy the amount of any Tax withholding obligations in respect of such RSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares. The name of the holder of such RSUs will be removed from the accounts of the holders of such RSUs maintained by the Company and each RSU will immediately be cancelled and all agreements relating to the RSUs will be terminated and will be of no further force and effect.

Lost Certificates or DRS Advices

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares that were exchanged for Consideration pursuant to the Plan of Arrangement, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate the Consideration payable and deliverable in accordance with such holder's duly completed and executed Letter of Transmittal. When authorizing such payment and delivery in exchange for any lost, stolen or destroyed certificate, the person to whom such Consideration is to be paid and delivered shall as a condition precedent to the payment and delivery of such Consideration, give a bond satisfactory to the Company, Hudbay and the Depositary (each acting reasonably) in such sum as Hudbay may direct, or otherwise indemnify Hudbay and the Company in a manner satisfactory to Hudbay and the Company, each acting reasonably, against any claim that may be made against Hudbay and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

If a DRS Advice representing Common Shares has been lost, stolen or destroyed, the holder can request a copy of the DRS Advice by contacting TSX Trust Company by phone: 1-866-600-5869 (North American toll-free) or +1 416-342-1091 (calls outside North America), with no bond indemnity required and such copy of the DRS Advice should be deposited with the Letter of Transmittal.

Extinction of Rights

If any Shareholder fails to deliver to the Depositary, the certificate(s) or DRS Advice(s), documents or instruments required to be delivered to the Depositary in the manner described in this Circular on or before the date that is six years after the Effective Date, then on such date: (a) such certificate(s) or DRS Advice(s) will cease to represent a claim or interest of any kind or nature as a securityholder of the Company or Hudbay; and (b) the Consideration Shares to which the former registered holder of the certificate(s) or DRS Advice(s) was ultimately entitled shall be deemed to have been surrendered for no consideration to Hudbay (or its successor(s)). None of Hudbay, the Company or the Depositary will be liable to any Person in respect of any Consideration Shares (or dividends, distributions and interest in respect thereof) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

No Fractional Shares to be Issued

No fractional Hudbay Shares will be issued pursuant to the Arrangement. Where the aggregate number of Hudbay Shares to be issued to any Person pursuant to the Arrangement would result in a fraction of a Hudbay Share being issuable, such number will be rounded down to the nearest whole Hudbay Share and no consideration will be paid in lieu of the issuance of a fractional Hudbay Share.

Withholding Rights

Hudbay, the Company, the Depositary, their respective Subsidiaries and any other Person on their behalf, will be entitled to deduct and withhold from any amounts payable to any Person pursuant to the Arrangement and under the Plan of Arrangement, such amounts as Hudbay, the Company, the Depositary and their respective Subsidiaries, or any Person on behalf of any of the foregoing, is or may be required or permitted to deduct or withhold with respect to such payment under the Tax Act, the U.S. Tax Code, or any provision of applicable Law, in each case, as amended, or under the administrative practice of the relevant Governmental Entity administering such Law, and to request from any recipient of any payment under the Plan of Arrangement any necessary tax forms or any other proof of exemption from withholding or any similar information. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of the Arrangement as having been paid to the Person to whom such amounts would otherwise have been paid, provided that such deducted or withheld amounts are properly reported and actually remitted to the applicable Governmental Entity.

In any case where the amount so required or permitted to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable, Hudbay, the Company, the Depositary, their respective Subsidiaries, and any Person on behalf of the foregoing, as the case may be, is authorized to sell or otherwise dispose of such portion of the Consideration as is necessary in order to fully fund such liability, and such Person will remit any unapplied balance of the net proceeds of such sale to the holder.

Effects of the Arrangement on Shareholders' Rights

Shareholders receiving Hudbay Shares under the Arrangement will become shareholders of Hudbay. Hudbay is a corporation incorporated under the laws of the BCBCA, and Hudbay Shares are listed on the TSX and the NYSE under the symbol "HBM". For additional information, please see "*Information Concerning Hudbay*" and "*Information Concerning Hudbay Following the Arrangement*" in this Circular.

Interests of Certain Persons in the Arrangement

In considering the Arrangement and the recommendation of the Board with respect to the Arrangement, Securityholders should be aware that certain directors and senior officers of the Company have certain interests that are, or may be, different from, or in addition to, the interests of other Securityholders generally, which may present them with actual or potential

conflicts of interest in connection with the Arrangement. The Board is aware of these interests and considered them along with the other matters described above in "*The Arrangement – Reasons for the Arrangement*". These interests include those described below.

Securities Held by Directors, Officers and Other Management of the Company

The table below sets out, for each director, officer and other member of management of the Company, the number of Securities beneficially owned or controlled or directed by each of them and, where known after reasonable inquiry, by their respective associates and affiliates, that will be entitled to be voted at the Company Meeting, as of the Record Date.

Name	Number of Common Shares (% of Class)	Number of Options (% of Class)	Number of DSUs (% of Class)	Number of RSUs (% of Class)
George Ogilvie *President, Chief Executive Officer and Director*	1,367,353 (0.66%)	1,645,912 (21.27%)	-	276,588 (27.01%)
David Laing *Director*	138,381 (0.07%)	427,067 (5.52%)	234,987 (32.91%)	-
Isabella Bertani *Director*	-	270,072 (3.49%)	100,695 (14.10%)	-
Alan Edwards *Director*	245,212 (0.12%)	308,411 (3.99%)	198,204 (27.76%)	-
Sarah Strunk *Director*	5,000 (0.00%)	323,631 (4.18%)	180,051 (25.22%)	-
Bill Washington *Director*	-	-	-	-
Harold (Bernie) Loyer *Senior Vice President, Projects*	176,263 (0.08%)	943,033 (12.19%)	-	144,848 (14.14%)
Nicholas Nikolakakis *Vice President, Finance and Chief Financial Officer*	49,567 (0.02%)	1,390,751 (17.97%)	-	230,357 (22.49%)
Nicholas Hayduk *Vice President, Corporate Development, General Counsel and Corporate Secretary*	148,965 (0.07%)	297,309 (3.84%)	-	6,804 (0.66%)
Travis Snider *Vice President, Sustainability and External Relations*	135,631 (0.06%)	452,841 (5.85%)	-	73,646 (7.19%)
Alison Dwoskin *Vice President, Investor Relations*	178,827 (0.09%)	151,126 (1.95%)	-	21,434 (2.09%)
Kevin Canario *Director of Finance*	-	210,122 (2.72%)	-	28,263 (2.76%)

Notes:

(1) The number of Common Shares attributed to George Ogilvie comprises an aggregate of 312,934 Common Shares held by Mr. Ogilvie and 1,054,419 Common Shares held by The 2016 Ogilvie Family Trust, of which Mr. Ogilvie is a trustee and has voting control or direction over the Common Shares.

(2) The number of Common Shares attributed to Travis Snider comprises an aggregate of 31,215 Common Shares held by Mr. Snider and 49,305 Common Shares held by NSL Resources LLC and 55,111 Common Shares held by TAGC Ventures LLC, of which Mr. Snider has voting control or direction over such Common Shares.
(3) Unless otherwise indicated, all securities are held directly.
(4) Percentages based on 208,741,884 Common Shares, 7,738,267 Options, 713,937 DSUs and 1,024,173 RSUs outstanding as of the Record Date, rounded to the nearest hundredth of a percent.
(5) The directors, officers and other members of management together, as of the Record Date, hold an aggregate of 2,445,199 Common Shares, 6,420,275 Options, 713,937 DSUs and 781,940 RSUs that will be entitled to be voted at the Company Meeting, representing approximately 1.17% of the issued and outstanding Common Shares and 4.75% of the issued and outstanding Securities that will be entitled to vote at the Company Meeting. Pursuant to the Support Agreements, the Supporting Securityholders agreed to, among other things, vote or cause to be voted such Common Shares, Options, DSUs and RSUs in favour of the Arrangement Resolution. For additional information, please see "*The Arrangement – Support Agreements*" in this Circular.

Common Shares

As of the Record Date, the directors, officers and other members of management of the Company beneficially owned or controlled or directed, directly or indirectly, an aggregate of 2,445,199 Common Shares that will be entitled to be voted at the Company Meeting, representing approximately 1.17% of the issued and outstanding Common Shares as of the Record Date.

All of the Common Shares owned or controlled by such directors, officers and other members of management of the Company will be treated in the same manner under the Arrangement as Common Shares held by any other Shareholder.

Options

As of the Record Date, the directors, officers and other members of management of the Company held 6,420,275 Options, exercisable for an aggregate of 6,420,275 Common Shares, that will be entitled to be voted at the Company Meeting, representing approximately 82.97% of the issued and outstanding Options and 2.94% of the issued and outstanding Securities, as at the Record Date.

All of the Options owned or controlled by such directors, officers and other members of management of the Company will be treated in the same manner under the Arrangement as Options held by any other Optionholder.

DSUs

As of the Record Date, the directors of the Company held 713,937 DSUs, that will be entitled to be voted at the Company Meeting, representing approximately 100.00% of the issued and outstanding DSUs and 0.33% of the issued and outstanding Securities, as at the Record Date.

All of the DSUs owned or controlled by such directors of the Company will be treated in the same manner under the Arrangement as DSUs held by any other DSU Holder.

RSUs

As of the Record Date, the directors, officers and other members of management of the Company held 781,940 RSUs, that will be entitled to be voted at the Company Meeting, representing approximately 76.35% of the issued and outstanding RSUs and 0.36% of the issued and outstanding Securities, as at the Record Date.

All of the RSUs owned or controlled by such directors, officers and other members of management of the Company will be treated in the same manner under the Arrangement as RSUs held by any other RSU Holder.

Change of Control Benefits

The Company and its Subsidiary, Arizona Sonoran Copper Company USA Inc. ("**ASUSA**"), have employment agreements (each, an "**Employment Agreement**") that include change of control termination provisions with certain of the senior officers of the Company, being George Ogilvie, Harold (Bernie) Loyer, Nicholas Nikolakakis, Nicholas Hayduk, Travis Snider and Alison Dwoskin. The Arrangement will constitute a "change of control" for the purposes of the Employment Agreements, which may result in termination payments in certain circumstances.

The following table summarizes the change of control payments payable to each of Messrs. Ogilvie, Nikolakakis, Loyer, Hayduk and Snider and Ms. Dwoskin.

Name	Termination Subsequent to Change of Control or Resignation for Good Reason Following a Change of Control
George Ogilvie *President, Chief Executive Officer and Director*	*Severance:* In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 24 months' base salary. Any other minimum statutory entitlement that may be owing to the employee under the *Employment Standards Act* (the "**ESA**"), without duplication. *Benefits:* The benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA in all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment. *Bonus:* An amount equal to two (2) times the employee's then current target bonus for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount. *Share Awards:* Unvested Options and other equity awards vest immediately, provided that any remaining RSUs subject to performance conditions not met by the termination date will remain outstanding up to the date which is six (6) months from the termination date (the "**Ogilvie Measurement Date**") and any remaining unvested RSUs as at the termination date that vest prior to and including the Ogilvie Measurement Date will be settled within ten (10) days after the Ogilvie Measurement Date. All outstanding RSUs subject to performance conditions that have not vested by the Ogilvie Measurement Date shall be forfeited without any further notice or pay or damages in lieu. Employee has ninety (90) days to exercise vested Options.
Harold (Bernie) Loyer *Senior Vice President, Projects*	*Separation Payment:* In addition to accrued vacation entitlements, employee is entitled to a lump sum payment equal to: (i) 100% of the employee's annual base salary (ii) an amount equal to the current annual target bonus percentage multiplied by the amount in (i); plus (iii) $19,200. For greater certainty, in no circumstances shall the employee be entitled to more than the equivalent of 24 months of payments. *Share Awards:* Unvested Options vest immediately. Employee has 90 days to exercise vested Options. Time vested RSUs vest immediately. RSUs subject to performance conditions vest to the extent performance conditions are met within six months of date of termination.
Nicholas Nikolakakis *Vice President, Finance & Chief Financial Officer*	*Severance:* In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 21 months' base salary. Any other minimum statutory entitlement that may be owing to the employee under the ESA, without duplication. *Benefits:* the benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA in all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment. *Bonus:* an amount equal to one and three quarters (1.75) times the employee's then current target bonus pursuant for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount. *Share Awards:* Unvested Options and other equity awards vest immediately. The employee has the earlier of (A) one hundred and eighty (180) days following the termination date and (B) the specific expiry date of the terms of the Options to exercise vested Options.
Nicholas Hayduk *Vice President, Corporate Development, General Counsel and Corporate Secretary*	*Severance:* In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 18 months' base salary. Any other minimum statutory entitlement that may be owing to the employee under the ESA, without duplication.

Name	Termination Subsequent to Change of Control or Resignation for Good Reason Following a Change of Control
	Benefits: The benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA in all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment. *Bonus:* An amount equal to one and one-half (1.5) times the employee's then current target bonus pursuant for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount. *Share Awards:* Unvested Options and other equity awards vest immediately. The employee has the earlier of (A) one hundred and eighty (180) days following the termination date and (B) the specific expiry date of the terms of the Options to exercise vested Options.
Travis Snider *Vice President, Sustainability and External Relations*	*Severance:* In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 100% of the base salary (determined as of the termination date). Any other minimum statutory entitlement that may be owing to the employee under the ESA, without duplication. *Bonus:* An amount equal to the employee's then current annual target bonus percentage for the year in which the termination date occurs multiplied by 100% of the employee's base salary determined as of the termination date. *Share Awards:* Unvested Options and other equity awards vest immediately. The employee has one hundred and eighty (180) days following the termination date to exercise vested Options. All outstanding time vesting RSUs will vest 100% as of the termination date and the resulting shares will be issued within ten (10) days after termination date. All outstanding RSUs subject to performance conditions will vest to the extent that the performance conditions are met by the date which is six (6) months from the termination date and the resulting shares will be issued within ten (10) days after such 6-month period.
Alison Dwoskin *Vice President, Investor Relations*	*Severance:* In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 12 months' base salary. Any other minimum statutory entitlement that may be owing to the employee under the ESA, without duplication. *Benefits:* The benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA in all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment. *Bonus:* An amount equal to one (1.0) times the employee's then current target bonus pursuant for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount. *Share Awards:* Unvested Options and other equity awards vest immediately. The employee has the earlier of (A) one hundred and eighty (180) days following the termination date and (B) the specific expiry date of the terms of the Options to exercise vested Options.

Notes:

(1) In the case of Messrs. Ogilvie and Loyer, the change of control payment is payable in the event of termination subsequent to a Change of Control or resignation for Good Reason within 180 days of a Change of Control. In the case of Messrs. Nikolakakis, Hayduk and Snider and Ms. Dwoskin, the change of control payment is payable in the event of termination subsequent to a Change of Control or resignation for Good Reason within 365 days of a Change of Control.

The Employment Agreements for Messrs. Ogilvie, Loyer, Nikolakakis, Hayduk and Snider and Ms. Dwoskin also contain non-solicitation, non-competition and confidentiality provisions, which will apply on a termination of employment with the Company or ASUSA, as applicable. Non-solicitation restrictions apply for a period of one year from the date the employee's employment with the Company or ASUSA ceases, non-competition restrictions apply for a period of six months from the

date that the employee's employment with the Company or ASUSA ceases and the confidentiality provisions apply, subject to certain exceptions, for an indefinite period of time following the termination of employment of an employee.

The Employment Agreement for Mr. Ogilvie defines a "**Change of Control**" as:

(a) the direct or indirect sale, lease, exchange or other transfer of all or substantially all of the assets of the Company to any person or entity or group of persons or entities, but not including the entering into of an option, joint venture or other arrangement whereby the Company transfers, or has the right to transfer, an interest in its mineral properties yet maintains control, majority ownership or an operating interest in the mineral properties, resulting entity or new arrangement;

(b) the amalgamation, merger or arrangement of the Company with or into another entity where the shareholders of the Company immediately prior to the transaction will hold less than 50% of the voting securities of the resulting entity upon completion of the transaction; or

(c) any person or combination of persons acting jointly or in concert, acquiring or becoming the beneficial owner of, directly or indirectly, of more than 50% of the voting securities of the Company whether through the acquisition of previously issued and outstanding voting securities of the Company or of voting securities of the Company that have not previously been issued or any combination thereof or any other transaction with similar effect.

The Employment Agreement for Mr. Ogilvie provides that "**Good Reason**", in the context of Mr. Ogilvie's resignation of his employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Mr. Ogilvie has given the Company written notice of such condition within 30 days following the initial existence of the condition and the Company has failed to cure such condition within 30 days after the date it received notice of the condition from Mr. Ogilvie:

(a) the Company assigning to Mr. Ogilvie duties and responsibilities materially inconsistent with his duties and responsibilities under his Employment Agreement, including those management duties performed by Mr. Ogilvie, as an employee of the Company, for an affiliate of the Company; or

(b) a material reduction by the Company of Mr. Ogilvie's then base salary, representing a reduction of more than 5%.

The Employment Agreements for Messrs. Nikolakakis and Hayduk and Ms. Dwoskin define a "**Change of Control**" as:

(a) the direct or indirect sale, lease, exchange or other transfer of all or substantially all of the assets of the Company to any person or entity or group of persons or entities, but not including the entering into of an option, joint venture or other arrangement whereby the Company transfers, or has the right to transfer, an interest in its mineral properties yet maintains control, majority ownership or an operating interest in the mineral properties, resulting entity or new arrangement;

(b) the amalgamation, merger or arrangement of the Company with or into another entity where the shareholders of the Company immediately prior to the transaction will hold less than 50% of the voting securities of the resulting entity upon completion of the transaction;

(c) a change of control of the Board resulting from the election by the shareholders of the Company of less than a majority of the persons nominated for election by management of the Company;

(d) the dissolution of the Company's business or the liquidation of its assets; or

(e) any person or combination of persons acting jointly or in concert, acquiring or becoming the beneficial owner of, directly or indirectly, whether through a single transaction or a series of transactions, of more than 50% of the voting securities of the Company whether through the acquisition of previously issued and outstanding voting securities of the Company or of voting securities of the Company that have not previously been issued or any combination thereof or any other transaction or a series of transactions with similar effect.

The Employment Agreement for Mr. Nikolakakis provides that "**Good Reason**", in the context of Mr. Nikolakakis' resignation of his employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Mr. Nikolakakis has given the Company written notice of such condition within 30 days following the initial existence of the condition and the Company has failed to cure such condition within 30 days after the date it received notice of the condition from Mr. Nikolakakis:

(a) A removal of Mr. Nikolakakis designation of Chief Financial Officer and/or any additional or different title or titles Mr. Nikolakakis holds immediately prior to a Change of Control;

(b) the Company assigning to Mr. Nikolakakis duties, responsibilities powers, rights and discretion materially inconsistent with Mr. Nikolakakis' duties, responsibilities, powers, rights and discretion immediately prior to a Change of Control, including those as an employee of the Company, or of an affiliate (which includes any situation in which the Company becomes, through a Change of Control, a subsidiary or division of another company or any other person (the "**New Parent Company**")), and following the Change of Control, Mr. Nikolakakis retains the same title or titles with the Company that the Employee held with the Company immediately prior to the Change of Control but the Employee is not offered the same position, including the same responsibilities, duties, powers, rights, discretion and hierarchy, with the New Parent Company;

(c) a change in the office or body to whom Mr. Nikolakakis reports immediately prior to a Change of Control, except if such office or body is of equivalent rank or stature, provided that such shall not include a change resulting from a promotion in the normal course of business;

(d) a material reduction by the Company of Mr. Nikolakakis' then base salary, target annual bonus, group benefits or any long-term incentive plan entitlement under the Employment Agreement, representing a reduction of more than 5% of any such component of Mr. Nikolakakis' compensation;

(e) a change in the location contemplated by the Employment Agreement, unless Mr. Nikolakakis expressly consents to the change; or

(f) any other change in the terms and conditions of Mr. Nikolakakis' employment that would constitute a constructive dismissal at common law.

The Employment Agreement for Mr. Hayduk provides that "**Good Reason**", in the context of Mr. Hayduk's resignation of his employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Mr. Hayduk has given the Company written notice of such condition within 30 days following the initial existence of the condition and the Company has failed to cure such condition within 30 days after the date it received notice of the condition from Mr. Hayduk:

(a) a removal of Mr. Hayduk's designation of Vice President, Corporate Development or General Counsel and/or any additional or different title or titles Mr. Hayduk holds immediately prior to a Change of Control;

(b) the Company assigning to Mr. Hayduk duties, responsibilities powers, rights and discretion materially inconsistent with Mr. Hayduk's duties, responsibilities, powers, rights and discretion immediately prior to a Change of Control, including those as an employee of the Company, or of an affiliate (which includes any situation in which the Company becomes, through a Change of Control, a subsidiary or division of another company or any other person (the "**New Parent Company**"), and following the Change of Control, Mr. Hayduk retains the same title or titles with the Company that Mr. Hayduk held with the Company immediately prior to the Change of Control but Mr. Hayduk is not offered the same position, including the same responsibilities, duties, powers, rights, discretion and hierarchy, with the New Parent Company);

(c) a change in the office or body to whom Mr. Hayduk reports immediately prior to a Change of Control, except if such office or body is of equivalent rank or stature, provided that such shall not include a change resulting from a promotion in the normal course of business;

(d) a material reduction by the Company of Mr. Hayduk's then base salary, target annual bonus, group benefits or any long-term incentive plan entitlement under the Employment Agreement, representing a reduction of more than 5% of any such component of Mr. Hayduk's compensation;

(e) a change in the location contemplated by the Employment Agreement, unless Mr. Hayduk expressly consents to the change; or

(f) any other change in the terms and conditions of Mr. Hayduk's employment that would constitute a constructive dismissal at common law.

The Employment Agreement for Ms. Dwoskin provides that "**Good Reason**", in the context of Ms. Dwoskin's resignation of her employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Ms. Dwoskin has given the Company written notice of such condition within 30 days following the initial existence of the condition and the Company has failed to cure such condition within 30 days after the date it received notice of the condition from Ms. Dwoskin:

(a) a removal of Ms. Dwoskin's designation of Vice President, Investor Relations and/or any additional or different title or titles Ms. Dwoskin holds immediately prior to a Change of Control;

(b) the Company assigning to Ms. Dwoskin duties, responsibilities powers, rights and discretion materially inconsistent with Ms. Dwoskin's duties, responsibilities, powers, rights and discretion immediately prior to a Change of Control, including those as an employee of the Company, or of an affiliate (which includes any situation in which the Company becomes, through a Change of Control, a subsidiary or division of another company or any other person (the "**New Parent Company**"), and following the Change of Control, Ms. Dwoskin retains the same title or titles with the Company that Ms. Dwoskin held with the Company immediately prior to the Change of Control but the employee is not offered the same position, including the same responsibilities, duties, powers, rights, discretion and hierarchy, with the New Parent Company);

(c) a change in the office or body to whom Ms. Dwoskin reports immediately prior to a Change of Control, except if such office or body is of equivalent rank or stature, provided that such shall not include a change resulting from a promotion in the normal course of business;

(d) a material reduction by the Company of Ms. Dwoskin's then base salary, target annual bonus, group benefits or any long-term incentive plan entitlement under the Employment Agreement, representing a reduction of more than 5% of any such component of Ms. Dwoskin's compensation;

(e) a change in the location contemplated by the Employment Agreement, unless Ms. Dwoskin expressly consents to the change; or

(f) any other change in the terms and conditions of Ms. Dwoskin's employment that would constitute a constructive dismissal at common law.

The Employment Agreements for Messrs. Snider and Loyer define a "**Change of Control**" as:

(a) the direct or indirect sale, lease, exchange or other transfer of all or substantially all of the assets of the Company to any person or entity or group of persons or entities, but not including the entering into of an option, joint venture or other arrangement whereby the Company transfers, or has the right to transfer, an interest in its mineral properties yet maintains control, majority ownership or an operating interest in the mineral properties, resulting entity or new arrangement;

(b) the amalgamation, merger or arrangement of the Company with or into another entity where the shareholders of the Company immediately prior to the transaction will hold less than 50% of the voting securities of the resulting entity upon completion of the transaction;

(c) any person or combination of persons acting jointly or in concert, acquiring or becoming the beneficial owner of, directly or indirectly, of more than 50% of the voting securities of the Company whether through the acquisition of previously issued and outstanding voting securities of the Company or of voting securities of the Company that have not previously been issued or any combination thereof or any other transaction with similar effect; or

(d) the Board adopts a resolution to the effect that, for purposes of the Employment Agreement, a Change of Control has occurred, or that such a Change of Control is imminent, in which case, the date of the Change of Control shall be deemed to be the date of such resolution.

The Employment Agreement for Mr. Snider provides that "**Good Reason**", in the context of Mr. Snider's resignation of his employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Mr. Snider has given ASUSA written notice of such condition within 30 days following the initial existence of the condition and ASUSA has failed to cure such condition within 30 days after the date it received notice of the condition from Mr. Snider:

(a) ASUSA assigning to Mr. Snider duties materially inconsistent with Mr. Snider's duties and responsibilities under the Employment Agreement, including those management duties performed by Mr. Snider, as an employee of ASUSA, for the Company or an affiliate;

(b) a unilateral reduction by ASUSA of Mr. Snider's base salary, or any unilateral change in the basis upon which Mr. Snider's base salary is determined or paid if the change is or will be materially adverse to Mr. Snider, except where (x) such reduction or change is part of a general reduction in the base salary of all or substantially all of the members of management of ASUSA and which affects Mr. Snider in substantially the same manner as the other members of the management of ASUSA who are also affected by such general reduction and (y) such change does not constitute more than ten percent (10%) of Mr. Snider's base salary;

(c) ASUSA unilaterally relocating Mr. Snider's principal location more than 100 miles from Mr. Snider's current work location;

(d) In the event a Change of Control has occurred, ASUSA requiring Mr. Snider to report to someone who is not the SVP, Projects (or equivalent or more senior) of ASUSA, any successor to ASUSA, or any acquiror of substantially all of the assets of ASUSA; or

(e) any material breach by ASUSA of any provision of the Employment Agreement, which is not cured by ASUSA within thirty (30) days following written notice from Mr. Snider.

The Employment Agreement for Mr. Loyer provides that "**Good Reason**", in the context of Mr. Loyer's resignation of his employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Mr. Loyer has given ASUSA written notice of such condition within 30 days following the initial existence of the condition and ASUSA has failed to cure such condition within 30 days after the date it received notice of the condition from Mr. Loyer:

(a) ASUSA assigning to Mr. Loyer duties materially inconsistent with Mr. Loyer's duties and responsibilities under the Employment Agreement, including those management duties performed by Mr. Loyer, as an employee of ASUSA, for the Company or an affiliate (which includes any situation in which ASUSA becomes, through a Change of Control, a subsidiary or division of another company or another person (the "**New Parent Company**"));

(b) a unilateral reduction by ASUSA of Mr. Loyer's base salary, or any unilateral change in the basis upon which Mr. Loyer's base salary is determined or paid if the change is or will be materially adverse to Mr. Loyer, except where (x) such reduction or change is part of a general reduction in the base salary of all or substantially all of the members of management of ASUSA and which affects Mr. Loyer in substantially the same manner as the other members of the management of ASUSA who are also affected by such general reduction and (y) such change does not constitute more than ten percent (10%) of Mr. Loyer's base salary;

(c) ASUSA unilaterally relocating Mr. Loyer's principal location more than 100 miles from Mr. Loyer's current work location;

(d) in the event a Change of Control has occurred, Mr. Loyer not retaining the most senior executive operations position with the Company and/or the New Parent Company and/or Mr. Loyer being required to report to someone who is not the Chief Executive Officer (or equivalent) of the Company and/or the New Parent Company; or

(e) any material breach by ASUSA of any provision of the Employment Agreement, which is not cured by ASUSA within thirty (30) days following written notice from Mr. Loyer.

Estimated Incremental Payments

The following table sets forth the estimated amounts payable to each of Messrs. Ogilvie, Loyer, Nikolakakis, Hayduk and Snider and Ms. Dwoskin assuming a termination date of May 31, 2026.

Name	Termination Subsequent to Change of Control or Resignation for Good Reason Following a Change of Control
George Ogilvie *President, Chief Executive Officer and Director*	$2,898,374
Harold (Bernie) Loyer *Senior Vice President, Projects*	$1,072,503
Nicholas Nikolakakis *Vice President, Finance and Chief Financial Officer*	$1,323,957
Nicholas Hayduk *Vice President, Corporate Development, General Counsel and Corporate Secretary*	$900,937
Travis Snider *Vice President, Sustainability and External Relations*	$529,273
Alison Dwoskin *Vice President, Investor Relations*	$286,283

Notes:

(1) Amounts represent severance, bonus payments and vesting of securities granted, subject to the terms of the Plan of Arrangement.
(2) In the case of Messrs. Ogilvie and Loyer, the change of control payment is payable in the event of termination subsequent to a Change of Control or resignation for Good Reason within 180 days of a Change of Control. In the case of Messrs. Nikolakakis, Hayduk and Snider and Ms. Dwoskin, the change of control payment is payable in the event of termination subsequent to a Change of Control or resignation for Good Reason within 365 days of a Change of Control.
(3) Amounts reported for Harold (Bernie) Loyer and Travis Snider have been converted to Canadian dollars using an exchange rate of 1.3916 being the daily rate of exchange published by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars on April 6, 2026.

Insurance Indemnification of Directors and Officers of the Company

The Arrangement Agreement provides that, prior to the Effective Date, the Company will purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate to the protection provided by the policies maintained by the Company and its Subsidiaries which are in effect immediately prior to the Effective Date which policies will be maintained for six years from the Effective Date; provided that the cost of such policy will not exceed 300% of the Company's current annual aggregate premium for policies currently maintained by the Company or its Subsidiaries.

Required Securityholder Approval of the Arrangement

At the Company Meeting, pursuant to the Interim Order, Securityholders will be asked to approve the Arrangement Resolution. The complete text of the Arrangement Resolution to be presented to the Company Meeting is set forth in Appendix "A" to this Circular. Each Securityholder as at the Record Date will be entitled to vote on the Arrangement Resolution.

In order to become effective, the Arrangement Resolution must be approved at the Company Meeting by the affirmative vote of at least: (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held; (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held, one vote for each Common Share that an Optionholder would have received on a valid exercise of such Optionholder's Options, one vote for each Common Share that a DSU Holder would have received on a valid settlement of such DSU Holder's DSUs and one vote for each Common Share that an RSU Holder would have received on a valid settlement of such RSU Holder's RSUs; and (iii) a majority of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting, voting as a single class, on the basis of one vote per Common Share held, excluding for this purpose the votes required to be excluded by MI 61-101 (the "**Minority Approval Vote**") (collectively, the "**Securityholder Approval**"). To the knowledge of the directors of the Company, after reasonable inquiry, as of the Record Date, the votes attached to the 1,367,353 Common Shares beneficially owned or controlled or directed by George Ogilvie, representing approximately 0.66% of the issued and outstanding Common Shares, will be excluded from the Minority Approval Vote.

The Arrangement Resolution must receive the Securityholder Approval in order for the Company to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order.

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions

The Company is a reporting issuer in all provinces and territories of Canada, except for Québec, and the Common Shares are listed on the TSX, and, accordingly, is subject to MI 61-101. MI 61- 101 is intended to regulate certain transactions to ensure equality of treatment among security holders, generally requiring enhanced disclosure, approval by a majority of security holders excluding interested parties and/or, in certain instances, independent valuations and approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61-101) that terminate the interests of security holders without their consent.

MI 61-101 provides that, in certain circumstances, where a "related party" (as defined in MI 61-101) of an issuer is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with an arrangement transaction (such as the Arrangement), such transaction may be considered a "business combination" for the purposes of MI 61-101 and subject to "formal valuation" and "minority approval" requirements (each as defined in MI 61-101).

A "collateral benefit" (as defined in MI 61-101) includes any benefit that a related party of the Company (which includes the directors and senior officers of the Company) is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancement in benefits related to past or future services as an employee, director or consultant of the Company. However, such a benefit will not constitute a "collateral benefit" provided that certain conditions are satisfied.

Under MI 61-101, a benefit received by a related party of the Company is not considered to be a "collateral benefit" if the benefit is received solely in connection with the related party's services as an employee, director or consultant of the Company or an affiliated entity and (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the Arrangement, (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the Arrangement in any manner, (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction, and (iv) either (A) at the time the Arrangement was agreed to, the related party and its associated entities beneficially owned or exercised control or direction over less than 1% of the outstanding Common Shares, or (B) (x) the related party discloses to an independent committee of the Company the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the Arrangement, in exchange for the Common Shares beneficially owned by the related party, (y) the independent committee, acting in good

faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in (B) (x), and (z) the independent committee's determination is disclosed in this Circular.

If a "related party" receives a "collateral benefit", directly or indirectly, as a consequence of the Arrangement, the Arrangement Resolution will also require "minority approval" in accordance with MI 61-101. If "minority approval" is required, the Arrangement Resolution must also be approved by a majority of the votes cast, excluding those votes beneficially owned, or over which control or direction is exercised, by the "related parties" of the Company who receive a "collateral benefit", directly or indirectly, as a consequence of the Arrangement, as well as any related parties and joint actors of such parties.

Each of the directors and senior officers of the Company is a "related party" of the Company by virtue of his or her role as a director and/or senior officer of the Company. In connection with the Arrangement, the outstanding Incentive Securities will be treated as set forth under "*The Arrangement – Exchange of Securities – Treatment of Options, DSUs and RSUs*". See "*The Arrangement – Interests of Certain Persons in the Arrangement*" in this Circular for detailed information regarding the benefits and other payments to be received by each of the directors and senior officers in connection with the Arrangement. The Independent Directors have considered whether these entitlements may constitute "collateral benefits" for purposes of MI 61-101 such that the Arrangement would therefore constitute a "business combination" under MI 61-101. Following the disclosure by each of the directors and senior officers of the number of Securities held by them and after consultation with the Company's legal advisors, the Independent Directors have determined that the only "related party" who is receiving a "collateral benefit" for the purposes of MI 61-101 in connection with the Arrangement and beneficially owns or exercises control or direction over more than 1% of the Company's outstanding Common Shares is George Ogilvie, Chief Executive Officer and President of the Company. Mr. Ogilvie beneficially owns or exercises control over 1,367,353 Common Shares and 1,514,926 vested Options, representing more than 1% of the Company's outstanding Common Shares (after giving effect to the deemed ownership of Common Shares underlying Mr. Ogilvie's vested Options), and the value of the "collateral benefit" he will receive is greater than 5% of the total consideration he will receive. Consequently, the Arrangement constitutes a "business combination" in respect of the Company and, as a result, "minority approval" (as defined in MI 61-101) is required for the Arrangement Resolution. The Common Shares which Mr. Ogilvie beneficially owns, directly or indirectly, or over which he has control or direction, will be excluded for the purpose of determining if minority approval of the Arrangement Resolution is obtained. This minority approval is in addition to the requirement that the Arrangement Resolution be approved at the Company Meeting by the affirmative vote of at least (i) 66⅔% of the votes cast by Shareholders present virtually or represented by proxy at the Company Meeting and voting as a single class and (ii) 66⅔% of the votes cast by Securityholders present virtually or represented by proxy at the Company Meeting and voting as a single class.

If a "formal valuation" is required, MI 61-101 requires that, among other things, it shall be prepared by a valuator that is independent of all "interested parties" in the transaction and that has appropriate qualifications, that it shall include the valuator's opinion as to a value or range of values representing the fair market value of the subject matter of the valuation, and that it cover the affected securities for a business combination. The Company is not required to obtain and has not obtained a "formal valuation" under MI 61-101 as no "interested party" (as defined in MI 61-101) of the Company is (i) as a consequence of the Arrangement, directly or indirectly, acquiring the Company or its business or combining with the Company, through an amalgamation, arrangement or otherwise, whether alone or with "joint actors", or (ii) party to any "connected transaction" (as defined in MI 61-101) to the Arrangement that is a "related party transaction" (as defined in MI 61-101) for which the Company is required to obtain a "formal valuation" under MI 61-101.

Furthermore, neither the Company nor any director or senior officer of the Company, after reasonable inquiry, has knowledge of any "prior valuation" (as defined in MI 61-101) in respect of the Company that has been made in the 24 months before the date of this Circular and no bona fide prior offer (as contemplated in MI 61-101) that relates to the transactions contemplated by the Arrangement has been received by the Company during the 24 months prior to the date of the Arrangement Agreement.

Court Approval of the Arrangement

Interim Order

The Arrangement requires approval by the Court under Section 291 of the BCBCA. Prior to the mailing of this Circular, the Company obtained the Interim Order providing for the calling and holding of the Company Meeting, the Dissent Rights and other procedural matters. Prior to the hearing on the Interim Order, the Court was informed that the Company and Hudbay intend to rely on the exemption from the registration requirements under the U.S. Securities Act for the issuance of the

Consideration Shares pursuant to the Arrangement, provided by Section 3(a)(10) thereof. A copy of the Interim Order is attached as Appendix "C" to this Circular.

Final Order

Subject to the approval of the Arrangement Resolution by Securityholders at the Company Meeting, the Company intends to make an application to the Court for the Final Order approving the Arrangement. The application for the Final Order is expected to take place at the courthouse of the Court at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time) May 14, 2026, or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct. A copy of the Petition is attached as Appendix "I" to this Circular.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, the Company or Hudbay may determine not to proceed with the Arrangement. Prior to and at the hearing on the Final Order, the Court will be informed that the Final Order will also constitute the basis for the Consideration Shares to be issued under the Arrangement pursuant to the Section 3(a)(10) Exemption.

Pursuant to the Interim Order, any Securityholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a Response to Petition by no later than 4:00 p.m. (Vancouver time) on May 12, 2026, along with any other documents required, all as set out in the Interim Order and the Petition, in which are attached as Appendices "C" and "I" to this Circular, respectively, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served a Response to Petition will be given notice of the adjournment.

For additional information regarding the Court hearing and your rights in connection with the Court hearing, please see the Interim Order and the Petition, which are attached as Appendices "C" and "I" to this Circular, respectively. The Interim Order and the Petition constitute notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

The Consideration Shares to be issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable securities laws of any state of the United States, and are being issued and exchanged in reliance on the Section 3(a)(10) Exemption. The issuance of the Consideration Shares shall be exempt from, or not subject to, the applicable securities laws of any state of the United States or "blue sky" laws. The Court has been advised that if the terms and conditions of the Arrangement and such issuance of Hudbay Shares are approved by the Court, the Company and Hudbay intend to rely upon the Final Order of the Court approving the Arrangement as a basis for the Section 3(a)(10) Exemption for such issuance of the Consideration Shares pursuant to the Arrangement. Therefore, subject to the additional requirements of Section 3(a)(10) of the U.S. Securities Act, should the Court make a Final Order approving the Arrangement, such Consideration Shares issued pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption. See "*The Arrangement – Regulatory and Securities Law Matters – United States Securities Law Matters*" in this Circular.

Dissenting Shareholders' Rights

The following is a summary of the provisions of the BCBCA (as modified or supplemented by the Interim Order and the Plan of Arrangement) relating to a Shareholder's Dissent Rights in respect of the Arrangement Resolution. Such summary is not a comprehensive statement of the procedures to be followed by a Shareholder who seeks to exercise any Dissent Rights. This summary is qualified in its entirety by reference to the full text of Sections 237 to 247 of the BCBCA, which is attached as Appendix "H" to this Circular, as modified by the Interim Order (which is attached as Appendix "C" to this Circular), Final Order and the Plan of Arrangement (which is attached as Appendix "B" to this Circular). The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

The statutory provisions dealing with the right of dissent are technical and complex. Any Registered Shareholder as of the Record Date and as of the deadline for exercising Dissent Rights seeking to exercise his, her or its Dissent Rights should seek independent legal advice, as failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, may result in the loss of any right of dissent. Accordingly, each Shareholder who wishes to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA (as modified or supplemented by the Interim Order, the Final Order the Plan of Arrangement) and consult a legal advisor.

Pursuant to the Interim Order, each Registered Shareholder as of both the Record Date and as of the deadline for exercising Dissent Rights may exercise Dissent Rights in respect of the Arrangement under Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and Plan of Arrangement. Registered Shareholders who properly and validly exercise such Dissent Rights and who:

- are ultimately entitled to be paid fair value for their Dissent Shares (1) shall be deemed to not have participated in the Arrangement (other than as it relates to the treatment of Dissenting Shareholders); (2) shall be deemed to have transferred and assigned their Dissent Shares to the Company as of the time set forth in the Plan of Arrangement without any further act or formality and free and clear of all Liens; (3) will be entitled to be paid (subject to applicable withholdings) the fair value of such Dissent Shares by the Company, which fair value, not withstanding anything to the contrary contained in the BCBCA, shall be determined as of the close of business on the day immediately before the Arrangement Resolution was adopted at the Company Meeting; and (4) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Common Shares; or

- for any reason are ultimately not entitled to be paid fair value for their Dissent Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-Dissenting Shareholder and will receive the Consideration on the same basis as every other non-Dissenting Shareholder;

but in no case will the Company, Hudbay, the Depositary or any other Person be required to recognize a Dissenting Shareholder as a registered or beneficial holder of such Dissent Shares or as having any interest therein (other than the Dissent Rights set out in Section 4.1 of the Plan of Arrangement) at or after the Effective Date, and the names of such Dissenting Shareholders will be deleted from the register of the Company as of the time set forth in the Plan of Arrangement. Shareholders who vote, or who have instructed a proxyholder to vote, Common Shares beneficially owned by them in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights with respect to any Common Shares beneficially owned by them. None of the Incentive Securityholders may exercise rights of dissent in respect of such holder's Incentive Securities.

Pursuant to Sections 237 to 247 of the BCBCA, every Registered Shareholder as of both the Record Date and as of the deadline for exercising Dissent Rights who properly and validly dissents from the Arrangement Resolution in strict compliance with Section 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, will be entitled to be paid the fair value of the Dissent Shares held by such Dissenting Shareholder determined as at the point in time immediately before the passing of the Arrangement Resolution.

A Shareholder who wishes to dissent with respect to Common Shares of which the Shareholder is the beneficial owner must (i) dissent with respect to all of the Common Shares, if any, of which the person is both the registered holder and beneficial owner, and (ii) cause each Registered Shareholder of any Common Shares of which the person is a beneficial owner to dissent with respect to all of those Common Shares.

Persons who are Non-Registered Shareholders who wish to dissent with respect to their Common Shares should be aware that only Registered Shareholders as of both the Record Date and as of the deadline for exercising Dissent Rights are entitled to dissent with respect to their Common Shares. Non-Registered Shareholders who wish to exercise Dissent Rights must arrange for the Registered Shareholder in whose name their Common Shares are registered to deliver a Notice of Dissent (as defined below) on their behalf or, alternatively, take steps to have their Common Shares re-registered in their names prior to the time for delivering a Notice of Dissent. A Registered Shareholder such as an Intermediary who holds Common Shares as nominee for Non-Registered Shareholders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such Non-Registered Shareholders with respect to the Common Shares held for such Non-Registered Shareholders, as described

below. In such case, the Notice of Dissent should set forth the number of Common Shares it covers. None of the holders of Options, DSUs or RSUs may exercise rights of dissent.

A Registered Shareholder who wishes to dissent must ensure that a written notice of dissent (a "**Notice of Dissent**") is received by the Company, c/o Osler, Hoskin & Harcourt LLP, Suite 3000 – 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1K8, Attention: Teresa Tomchak by 4:00 p.m. (Vancouver time) on or before May 7, 2026 (or by 4:00 p.m. (Vancouver time) on the business day that is two business days immediately preceding the Company Meeting if it is not held on May 11, 2026), and such Notice of Dissent must strictly comply with the requirements of Section 242 of the BCBCA. Any failure by a Shareholder to fully comply may result in the loss of that holder's Dissent Rights.

The delivery of a Notice of Dissent does not deprive a Shareholder of the right to vote at the Company Meeting on the Arrangement Resolution; however, a Shareholder is not entitled to exercise Dissent Rights with respect to any Common Shares beneficially owned by them if that Shareholder votes (or instructs a proxyholder to vote) any Common Shares beneficially owned by them in favour of the Arrangement Resolution. A vote against the Arrangement Resolution, whether virtually or by proxy, does not constitute a Notice of Dissent.

A Registered Shareholder as of both the Record Date and as of the deadline for exercising Dissent Rights that wishes to exercise Dissent Rights must prepare a separate Notice of Dissent for himself, herself, or itself if dissenting on his, her or its own behalf, and for each other person who beneficially owns Common Shares registered in the Registered Shareholder's name and on whose behalf the Registered Shareholder is dissenting, and must dissent with respect to all of the Common Shares registered in his, her or its name beneficially owned by the Non-Registered Shareholder on whose behalf he, she or it is dissenting. The Notice of Dissent must set out the number of Common Shares in respect of which the Notice of Dissent is being sent (the "**Notice Shares**") and:

- if such Notice Shares constitute all of the Common Shares of which the holder is the registered and beneficial owner and the holder owns no other Common Shares beneficially, a statement to that effect;

- if such Notice Shares constitute all of the Common Shares of which the holder is both the registered and beneficial owner, but the holder owns additional Common Shares beneficially, a statement to that effect and the names of the registered holders of Common Shares, the number of Common Shares held by each such holder and a statement that written Notices of Dissent are being or have been sent with respect to such other Common Shares; or

- if the Dissent Rights are being exercised by a registered holder of Common Shares on behalf of a beneficial owner of Common Shares who is not the registered holder, a statement to that effect and the name and address of the beneficial holder of the Common Shares and a statement that the registered holder is dissenting with respect to all Common Shares of the beneficial holder registered in such registered holder's name.

It is a condition to Hudbay's obligation to complete the Arrangement that persons holding no more than 5% of the issued and outstanding Common Shares shall have validly exercised Dissent Rights (and not withdrawn such exercise). Each of the Supporting Securityholders has agreed to waive his or her Dissent Rights as a holder of Common Shares.

If the Arrangement Resolution is approved by the Securityholder Approval and if the Company notifies the Dissenting Shareholder of the Company's intention to act upon the Arrangement Resolution, the holder, if he, she or it wishes to proceed with the dissent, is required, within one month after the Company gives such notice, to send to the Company the certificates (if any) representing the Notice Shares and a written statement that requires the Company to purchase all of the Notice Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by a Registered Shareholder on behalf of a Non-Registered Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Shareholder becomes a Dissenting Shareholder, and is bound to sell, and the Company is bound to purchase, those Common Shares. Such Dissenting Shareholder may not vote or exercise or assert any rights of a Shareholder in respect of such Notice Shares, other than the rights set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement.

The Dissenting Shareholder and the Company may agree on the payout value (as defined in section 237(1) of the BCBCA) of the Notice Shares; otherwise, either party may apply to the Court to determine the fair value of the Notice Shares. The Court may then determine the payout value of the Notice Shares, join in the application of each Dissenting Shareholder who

has not agreed with the Company on the amount of the payout value of the Notice Shares, and make consequential orders and give directions as the Court considers appropriate. There is no obligation on the Company or Hudbay to make an application to the Court. After a determination of the payout value of the Notice Shares, the Company must then promptly pay that amount to the Dissenting Shareholder. There can be no assurance that the amount a Dissenting Shareholder may receive as fair value for its Common Shares will be more than or equal to the Consideration under the Arrangement. It should be noted that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a transaction such as the Arrangement is not an opinion as to fair value under the BCBCA.

In no circumstances will the Company, Hudbay, the Depositary or any other Person be required to recognize a person as a Dissenting Shareholder (i) unless such person is the registered holder of the Common Shares in respect of which Dissent Rights are purported to be exercised immediately prior to the Effective Time of the Arrangement; (ii) if such person has voted or instructed a proxyholder to vote the Notice Shares in favour of the Arrangement Resolution; and (iii) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in Sections 237 to 247 of the BCBCA (as modified by the Interim Order, the Final Order and the Plan of Arrangement) and does not withdraw such person's Notice of Dissent prior to the Effective Time of the Arrangement.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Arrangement in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, the Arrangement Resolution does not pass, a court permanently enjoins or sets aside the corporate action approved by the Arrangement Resolution, the Dissenting Shareholder votes in favour of the Arrangement Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with the Company's written consent. If any of these events occur, the Company must return the share certificates representing the Common Shares to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise its rights as a Shareholder.

If a Dissenting Shareholder fails to strictly comply with the requirements of the Dissent Rights set out in the Interim Order, it will lose its Dissent Rights, the Company will return to the Dissenting Shareholder the certificates representing the Notice Shares that were delivered to the Company, if any, and if the Arrangement is completed, that Dissenting Shareholder will be deemed to have participated in the Arrangement on the same terms as a Shareholder that is not a Dissenting Shareholder.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement.

The Company suggests that any Shareholder wishing to avail themselves of the Dissent Rights seek their own legal advice as failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA (as modified by the Interim Order, the Final Order and the Plan of Arrangement) may result in the loss of any right of dissent. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process. For a general summary of certain income tax implications to a Dissenting Shareholder, see "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*".

Stock Exchange Delisting and Reporting Issuer Status

It is anticipated that the Common Shares will be delisted from the TSX and cease to be quoted on the OTCQX Best Market promptly following the completion of the Arrangement. Following the Effective Date, it is expected that Hudbay will cause the Company to apply to cease to be a reporting issuer under the securities legislation of each of the provinces in Canada under which it is currently a reporting issuer (or equivalent) or take or cause to be taken such other measures as may be appropriate to ensure that the Company is not required to prepare and file continuous disclosure documents.

Regulatory and Securities Law Matters

Specified Regulatory Approvals and Stock Exchange Approvals

Other than the Specified Regulatory Approvals, the Company is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be

required, such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, the Company currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date.

Competition Act Clearance

Part IX of the Competition Act requires that each of the parties to a transaction that exceeds the thresholds set out in Sections 109 and 110 of the Competition Act and is not otherwise exempt (a "**Notifiable Transaction**") provide the Commissioner of Competition ("**Commissioner**") with prescribed pre-closing notice. Subject to certain limited exceptions, the parties to a Notifiable Transaction cannot complete a Notifiable Transaction until the parties to the transaction have each submitted prescribed information to the Commissioner (a "**Notification**") and the applicable waiting period has expired, or been waived or terminated by the Commissioner. The waiting period expires 30 days after the day on which the parties to the Notifiable Transaction have submitted their respective prescribed information, unless the Commissioner notifies the parties that additional information is required (a "**Supplementary Information Request**"). If the Commissioner provides the parties with a Supplementary Information Request, the Notifiable Transaction cannot be completed until 30 days after compliance with such Supplementary Information Request.

Alternatively, or in addition to filing a Notification, the parties to a Notifiable Transaction may apply to the Commissioner under subsection 102(1) of the Competition Act for an advance ruling certificate ("**ARC**") confirming that the Commissioner is satisfied that he does not have sufficient grounds on which to apply to the Competition Tribunal for an order under Section 92 of the Competition Act to prohibit the completion of the transaction or, as an alternative, a letter from the Commissioner that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the Notifiable Transaction (a "**No Action Letter**"). Where a Notification is not filed with respect to a Notifiable Transaction, the parties must request and receive a waiver from the Commissioner under paragraph 113(c) of the Competition Act.

Whether or not a transaction is subject to notification under Part IX of the Competition Act, the Commissioner may apply to the Competition Tribunal for a remedial order under Section 92 of the Competition Act at any time before a transaction has been completed or within one year after it was substantially completed, provided that (i) at least one of a Notification or a letter requesting an ARC was filed in respect of the transaction and (ii) the Commissioner did not issue an ARC in respect of the transaction. On application by the Commissioner under Section 92 of the Competition Act, the Competition Tribunal may, where it finds that the transaction prevents or lessens, or is likely to prevent or lessen, competition substantially, order that the transaction not proceed or, if completed, order its dissolution or the disposition of the assets or shares acquired; in addition to, or in lieu thereof, with the consent of the person against whom the order is directed and the Commissioner, the Competition Tribunal may order a person to take any other action.

The Arrangement constitutes a Notifiable Transaction under the Competition Act. On March 13, 2026, the Parties filed with the Commissioner a request for an ARC or, as an alternative, a No Action Letter. Completion of the Arrangement is conditional on obtaining Competition Act Clearance. On March 27, 2026, the Commissioner issued an ARC, thereby satisfying the requirement to obtain the Competition Act Clearance.

ICA Clearance

Under the ICA, the direct "acquisition of control" of a Canadian business by a non-Canadian that exceeds the prescribed financial threshold (a "**Reviewable Transaction**") is subject to pre-closing review and cannot be implemented until certain conditions are met. The transactions contemplated by the Arrangement Agreement do not constitute a Reviewable Transaction under the ICA. An acquisition of control of a Canadian business that is not a Reviewable Transaction is subject to a notice requirement ("**Notice**") under the ICA, which notice can be either before or within 30 days after closing.

In addition, under Part IV.1 of the ICA, certain investments by non-Canadians, including but not limited to transactions in respect of which a Notice is required to be filed, can be subject to separate review on grounds that the investment could be injurious to national security. Where a non-Canadian investor has filed a Notice, the Minister of Industry ("**Minister**") has 45 days to issue a notice (a "**National Security Notice**") that the investment may or will be subject to a national security review (a "**National Security Review**"). If an investment has not been implemented, an investor that received a National Security Notice cannot implement the investment. Where the investor has received a National Security Notice, the Minister has an additional 45 days following a National Security Notice to determine whether to recommend that an order for a

National Security Review be made. Where a National Security Review has been ordered, the Minister has 45 days, which period can be extended for an additional 45 days, to determine (i) that the investment would not be injurious to national security, in which case the National Security Review is terminated, or (ii) that (a) it would be injurious to national security, or (b) that the Minister is unable to determine whether the investment would be injurious to national security, in which case ((a) or (b)) the Minister must refer the investment to the Governor in Council for a final determination. The Governor in Council then has 20 days to decide whether to authorize the investment, which can be on the basis of terms and conditions set by the Governor in Council or undertakings provided by the investor or, in the case of an investment that has not been completed, to prohibit its completion.

While the above timeframes can be extended with the consent of the investor (other than the 20-day period applicable to the Governor in Council's determination), assuming no additional extensions, the entire period of a National Security Review from the initial filing by the investor until completion of the National Security Review can be as long as 200 days.

On March 24, 2021, the Government of Canada issued revised Guidelines on the National Security Review of Investments (the "**National Security Guidelines**"), which were most recently updated on March 5, 2025. Among other factors, the National Security Guidelines state that the Government will take into account the potential impact of a foreign investment on critical minerals and their supply chains, referring to the Government's Critical Mineral List of minerals, which includes copper.

Hudbay filed its Notice on March 13, 2026, which has been certified as complete as of March 13, 2026. Completion of the Arrangement is conditional on obtaining ICA Clearance.

CFIUS Clearance

Section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. §4565) (together with all rules and regulations issued and effective thereunder, the "**DPA**") authorizes CFIUS to review any "covered transaction," as defined in Section 800.213 of the CFIUS Regulations and to mitigate or remove any risk or threat to the national security of the United States that arises as a result of such "covered transaction." Under the CFIUS Regulations, a "covered transaction" includes any transaction by or with a foreign person, including mergers, acquisitions, and other transactions, that could result in foreign control of any "U.S. business," as defined in Section 800.252 of the CFIUS Regulations.

The proposed acquisition of the Company under the Arrangement Agreement is a "covered transaction" subject to CFIUS jurisdiction because it would result in the control of a U.S. business by a "foreign person," as defined in Section 800.224 of the CFIUS Regulations. Hudbay is a "foreign person" under the CFIUS Regulations because, among other things, it is a company organized under the laws of Canada and has its principal place of business in Canada. The Company is engaged in interstate commerce in the United States and is therefore a "U.S. business" in Section 800.252 of the CFIUS Regulations.

The Parties have agreed to submit a CFIUS Declaration to CFIUS to obtain CFIUS Clearance. On March 13, 2026, in accordance with the Arrangement Agreement, the Parties submitted a CFIUS Declaration. While a CFIUS case officer was assigned on March 19, 2026, CFIUS has not yet formally accepted the CFIUS Declaration. Once CFIUS accepts the CFIUS Declaration, CFIUS has a 30-day period within which to assess the Arrangement, after which CFIUS will: (1) issue the CFIUS Clearance, or (2) request that the parties submit a long-form notice filing. In the case of (2), obtaining CFIUS Clearance would require the preparation and submission of a notice pursuant to Subpart E of the CFIUS Regulations and a review period of up to 45 days, followed, if necessary, by an investigation period of up to 45 days (subject to an additional 15-day extension in extraordinary circumstances).

Completion of the Arrangement is conditional on obtaining CFIUS Clearance.

TSX Conditional Approval

On March 17, 2026, the TSX conditionally approved the listing of the Consideration Shares after completion of the Arrangement, and on April 1, 2026, the TSX conditionally approved the Arrangement, in each case subject to filing certain documents following the closing of the Arrangement. Delisting of the Common Shares following completion of the Arrangement will be subject to the satisfaction of customary delisting requirements of the TSX.

NYSE Authorization

Hudbay will seek the authorization of the NYSE to list the Consideration Shares, with such authorization to be obtained prior to the closing of the Arrangement.

Canadian Securities Law Matters

Each Securityholder is urged to consult with their professional advisors to determine the Canadian conditions and restrictions applicable to trades in Hudbay Shares issued pursuant to the Arrangement.

Status under Canadian Securities Laws

The Company is a reporting issuer in all provinces and territories of Canada, except for Québec. The Common Shares currently trade on the TSX and the OTCQX Best Market. Pursuant to the Arrangement, the Company will become a wholly-owned subsidiary of Hudbay. Following the Arrangement, the Common Shares will be delisted from the TSX and cease to be quoted on the OTCQX Best Market and Hudbay expects to apply to the applicable Canadian securities regulators to have the Company cease to be a reporting issuer in the applicable jurisdictions in Canada.

Hudbay is a reporting issuer in each of the provinces and territories of Canada. Hudbay Shares currently trade on the TSX and the NYSE. Hudbay is expected to continue to be a reporting issuer in all provinces and territories of Canada, and continue to trade on the TSX and the NYSE, upon completion of the Arrangement.

Distribution and Resale of Hudbay Shares under Canadian Securities Laws

The distribution of Hudbay Shares pursuant to the Arrangement will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian Securities Laws. Hudbay Shares received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a "control distribution" as defined in NI 45-102, (ii) no unusual effort is made to prepare the market or to create a demand for Hudbay Shares, as the case may be, (iii) no extraordinary commission or consideration is paid to a person or company in respect of such trade, and (iv) if the selling security holder is an insider or officer of Hudbay, the selling security holder has no reasonable grounds to believe that Hudbay is in default of Canadian Securities Laws.

United States Securities Law Matters

The following discussion is a general overview of certain requirements of U.S. Securities Laws that may be applicable to Securityholders in the United States ("U.S. Securityholders"). All U.S. Securityholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Consideration Shares complies with applicable U.S. Securities Laws.

The following discussion does not address the Canadian Securities Laws that will apply to the issue and resale of Hudbay Shares within Canada. U.S. Securityholders reselling their Hudbay Shares in Canada must comply with Canadian Securities Laws, as outlined elsewhere in this Circular.

Each of the Company and Hudbay is a "foreign private issuer" as defined in Rule 3b-4 under the U.S. Exchange Act.

Exemption from the Registration Requirements of the U.S. Securities Act

The Consideration Shares to be issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable securities laws of any state of the United States and will be issued and exchanged in reliance upon the Section 3(a)(10) Exemption. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the registration requirements under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing

at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. Accordingly, the Final Order will, if granted, constitute a basis for the Section 3(a)(10) Exemption with respect to the Consideration Shares to be issued to U.S. Securityholders. The issuance of the Consideration Shares shall be exempt from, or not subject to, the applicable securities laws of any state of the United States or "blue sky" laws.

The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the U.S. Exchange Act. Furthermore, this Circular has been prepared in accordance with the applicable disclosure requirements in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with applicable Canadian corporate and securities laws. Security holders resident in the United States should be aware that such requirements are different than those of the United States.

Resales of Hudbay Shares after the Effective Date

The Hudbay Shares to be received by Securityholders in exchange for their Securities pursuant to the Arrangement will be freely tradeable under the U.S. Securities Act, except by persons who are "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Hudbay after the Effective Date, or were "affiliates" of Hudbay within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of Hudbay include individuals or entities that directly or indirectly through one or more intermediaries control, are controlled by, or are under common control with, Hudbay, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of Hudbay as well as principal shareholders of Hudbay.

Any resale of Hudbay Shares by such a Hudbay "affiliate" or person who has been a Hudbay "affiliate" within 90 days prior to the Effective Date, will be subject to certain restrictions on resale imposed by the U.S. Securities Act, and the Hudbay Shares may not be resold in the absence of registration under the U.S. Securities Act or an exemption from such registration, if available, such as the exemption provided under Rule 144 under the U.S. Securities Act or the safe harbor provided by Rule 904 of Regulation S under the U.S. Securities Act.

Resales by Affiliates Pursuant to Rule 144 under the U.S. Securities Act

In general, pursuant to Rule 144 under the U.S. Securities Act, persons who are "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Hudbay after the Effective Date, or were "affiliates" of Hudbay within 90 days prior to the Effective Date, will be entitled to sell, during any three-month period, a portion of the Consideration Shares they receive in connection with the Arrangement, provided that the number of such securities sold does not exceed the greater of 1% of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four (4) calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer required under Rule 144 under the U.S. Securities Act. Persons who are "affiliates" after the Arrangement will continue to be subject to the resale restrictions described in this paragraph until 90 days after they cease to be "affiliates" of Hudbay.

Resales by Affiliates Pursuant to Regulation S

In general, pursuant to Regulation S under the U.S. Securities Act, persons who are "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Hudbay after the Effective Date, or were "affiliates" of Hudbay within 90 days prior to the Effective Date, solely by virtue of their status as an executive officer or director of Hudbay, may sell their Consideration Shares outside the United States in an "offshore transaction" (which would include a sale through the TSX, if applicable) if none of the seller, an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the seller or any person acting on their behalf engages in "directed selling efforts" in the United States with respect to such securities and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S, an offer or sale of securities is made in an "offshore transaction" if the offer is not made to a person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a "designated offshore securities market" (which would include a sale through the TSX), and neither the seller nor any person acting on its

behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Rule 903 of Regulation S are applicable to sales outside the United States by holders of Consideration Shares who are "affiliates" of Hudbay after the Effective Date, or were "affiliates" of Hudbay within 90 days prior to the Effective Date, other than by virtue of their status as an officer or director of Hudbay.

Expenses of the Arrangement

The Company estimates that expenses in the aggregate amount of approximately $18 million (excluding HST) will be incurred by it in connection with the Arrangement and related matters, including, without limitation, legal, financial advisory and accounting fees, the cost of preparing, printing and mailing this Circular and other related documents, costs with respect to the Company Meeting, stock exchange and regulatory filing fees and fees in respect of the Fairness Opinions.

THE ARRANGEMENT AGREEMENT

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by the Company under its SEDAR+ profile at www.sedarplus.ca and to the Plan of Arrangement, which is attached as Appendix "B" to this Circular. Capitalized terms used but not otherwise defined herein have the meanings set out in the Arrangement Agreement and the Plan of Arrangement.

Conditions to Closing

Mutual Conditions Precedent

The completion of the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time, each of which may only be waived, in whole or in part, with the mutual written consent of Hudbay and the Company:

- *Arrangement Resolution Approval.* The Arrangement Resolution shall have been approved and adopted by the Securityholders at the Company Meeting in accordance with the Interim Order.

- *Interim and Final Order.* The Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to either the Company or Hudbay, each acting reasonably, on appeal or otherwise.

- *Illegality.* No Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Law which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement.

- *Exempt from U.S. Securities Act.* The Consideration Shares to be issued pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to section 3(a)(10) thereof, provided, however that the Company shall not be entitled to the benefit of this condition, and shall be deemed to have waived such condition, in the event that the Company fails to: (a) advise the Court prior to the hearing in respect of the Interim Order that the Parties intend to rely on the exemption from the registration afforded by section 3(a)(10) of the U.S. Securities Act based on the Court's approval of the Arrangement; or (b) comply with the requirements to be satisfied by the Company set forth in Section 2.8 of the Arrangement Agreement.

- *Exempt from Prospectus or Registration Requirements.* The distribution of the Consideration Shares shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces and territories of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws.

- *Listing of Consideration Shares.* The Consideration Shares to be issued pursuant to the Arrangement shall have been approved for listing on the NYSE (subject only to official notice of issuance) and the TSX (subject only to customary conditions).

- *Specified Regulatory Approvals.* All of the Specified Regulatory Approvals shall have been obtained.

Conditions in Favour of Hudbay

The obligation of Hudbay to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Hudbay and may be waived by Hudbay in whole or in part at any time):

- *Performance of Covenants.* All covenants of the Company under the Arrangement Agreement to be performed on or before the Effective Time shall have been duly performed by the Company in all material respects and Hudbay shall have received a certificate of the Company addressed to Hudbay and dated the Effective Date, signed on behalf of the Company by two senior executive officers of the Company (on the Company's behalf and without personal liability), confirming the same as of the Effective Date.

- *Representations and Warranties.* (a) the representations and warranties of the Company set forth in the Arrangement Agreement (other than as contemplated in clauses (b) and (c)) shall be true and correct in all respects, without regard to any materiality or Company Material Adverse Effect qualifications contained in them, as of the date of the Arrangement Agreement and as of the Effective Time as though made on and as of such date or time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Company Material Adverse Effect; (b) the representations and warranties of the Company relating to organization and qualification, authority relative to the Arrangement Agreement, no conflict, required filings and consent, and absence of a Company Material Adverse Effect shall be true and correct in all respects as of the date of the Arrangement Agreement and as of the Effective Time as though made on and as of such date or time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and (c) the representations and warranties of the Company relating to subsidiaries, capitalization and listing and brokers shall be true and correct in all respects (except for de minimis inaccuracies or as a result of transactions, changes, conditions, events or circumstances permitted under the Arrangement Agreement) as of the date of the Arrangement Agreement and as of the Effective Time as though made on and as of such date and time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and Hudbay shall have received a certificate of the Company addressed to Hudbay and dated the Effective Date, signed on behalf of the Company by two senior executive officers of the Company (on the Company's behalf and without personal liability), confirming the same.

- *No Company Material Adverse Effect.* Between the date of the Arrangement Agreement and the Effective Time, there shall not have occurred a Company Material Adverse Effect.

- *No Proceedings.* There shall not be pending or threatened in writing any suit, action or proceeding by any Governmental Entity that would reasonably be expected to result in a prohibition or material restriction on the acquisition by Hudbay of any Common Shares, or any material restriction or prohibition of the consummation of the transactions contemplated by the Arrangement.

- *Dissent Rights.* Holders of no more than 5% of the Common Shares shall have exercised Dissent Rights.

Conditions in Favour of the Company

The obligation of the Company to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of the Company and may be waived by the Company in whole or in part at any time):

- *Performance of Covenants.* All covenants of Hudbay under the Arrangement Agreement to be performed on or before the Effective Time shall have been duly performed by Hudbay in all material respects and the Company shall have received a certificate of Hudbay, addressed to the Company and dated the Effective Date, signed on behalf of Hudbay by two of its senior executive officers (on Hudbay's behalf and without personal liability), confirming the same as of the Effective Date.

- *Representations and Warranties.* (a) the representations and warranties of Hudbay set forth in the Arrangement Agreement (other than as contemplated in clauses (b) and (c)) shall be true and correct in all respects, without regard to any materiality or Hudbay Material Adverse Effect qualifications contained in them, as of the date of the Arrangement Agreement and as of the Effective Time as though made on and as of such date or time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Hudbay Material Adverse Effect; (b) the representations and warranties of Hudbay related to organization and qualification, authority relative to the Arrangement Agreement, no conflict, required filings and consent, and absence of a Hudbay Material Adverse Effect shall be true and correct in all respects as of the date of the Arrangement Agreement and as of the Effective Time as though made on and as of such date and time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and (c) the representations and warranties of Hudbay relating to subsidiaries, capitalization and listing and brokers shall be true and correct in all respects (except for de minimis inaccuracies or as a result of transactions, changes, conditions, events or circumstances permitted hereunder) as of the date of the Arrangement Agreement and as of the Effective Time as though made on and as of such date and time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and the Company shall have received a certificate of Hudbay addressed to the Company and dated the Effective Date, signed on behalf of Hudbay by two senior executive officers of Hudbay (on Hudbay's behalf and without personal liability), confirming the same.

- *Payment of Consideration.* Hudbay shall have deposited in escrow, or caused to be deposited in escrow, with the Depositary sufficient Consideration Shares to satisfy its obligations under the Arrangement Agreement, and the Depositary shall have confirmed to the Company its receipt of such Hudbay Shares.

- *No Hudbay Material Adverse Effect.* Between the date of the Arrangement Agreement and the Effective Time, there shall not have occurred a Hudbay Material Adverse Effect.

Effective Date of the Arrangement

If the Securityholder Approval is obtained, the Final Order is obtained approving the Arrangement, the Specified Regulatory Approvals are obtained and all other conditions to the Arrangement Agreement are satisfied or waived, the Arrangement will become effective at 12:01 a.m. (Vancouver time), or such other time as the Company and Hudbay may agree in writing and prior to the Effective Date, on the Effective Date. It is currently expected that the Effective Date will occur in the second quarter of 2026.

Outside Date

The Outside Date is June 30, 2026, or such later date as may be agreed to in writing by the Parties, provided that if any Specified Regulatory Approval has not been obtained by June 30, 2026, any Party may elect, by notice delivered in writing to the other Party prior to such date, or in the case of the subsequent extension, prior to such date as initially extended, to extend the Outside Date (i) for an initial extension period to no later than August 15, 2026, and (ii) following the initial extension period, for a second extension period to no later than September 30, 2026.

Representations and Warranties

The Arrangement Agreement contains certain representations and warranties made by each Party to the other Party, in each case of a nature customary for transactions of this type. The representations and warranties were made solely for the purposes of the Arrangement Agreement and, in some cases, are subject to important qualifications, limitations and exceptions agreed to by the Parties in connection with negotiating the Arrangement Agreement. Accordingly, Securityholders should not rely

on the representations and warranties as characterizations of the actual state of facts, since they are also modified, in the Company's case, by the Disclosure Letter delivered in connection with the Arrangement Agreement. The Disclosure Letter contains information that has been included in the respective Party's general prior public disclosures, as well as potential additional non-public information. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Arrangement Agreement, which subsequent information may or may not be fully reflected in the public record.

The representations and warranties of each of the Company and Hudbay relate to the following matters: organization and qualification; authority relative to the Arrangement Agreement; no conflict; required filings and consent; subsidiaries; compliance with Laws and constating documents; authorizations; capitalization and listing; shareholder and similar agreements; reporting issuer status; reports; stock exchange matters; financial statements; auditors; undisclosed liabilities; interest in properties and mineral rights; mineral reserves and resources; scientific and technical information; absence of certain changes or events; litigation; taxes; non-arm's length transactions; environmental; restrictions on business activities; brokers; corrupt practices legislation; and sanctions.

In addition to the foregoing representations and warranties, the Company has provided additional representations and warranties to Hudbay with respect to: interest in water rights; operational matters; personal property; employment matters; intellectual property; Indigenous claims; community relations; books and records; insurance; benefit plans; material contracts; whistleblower reporting; government assistance; standstill agreements; fairness opinions; no "collateral benefit"; and TID U.S. business. Hudbay has provided additional representations and warranties to the Company with respect to freely tradeable securities.

Covenants

General Conduct of Business and Covenants Relating to the Arrangement

The Arrangement Agreement contains customary negative and affirmative covenants of the Company and Hudbay. Pursuant to the Arrangement Agreement, each of the Company and Hudbay has covenanted that it shall and shall cause its Subsidiaries to perform all obligations required to be performed by the Party or any of its Subsidiaries under the Arrangement, cooperate with the other Party in connection with the Arrangement, and do all such other acts and things as may be reasonably necessary or desirable in order to consummate and make effective the transactions contemplated in the Arrangement Agreement, including, among other things: (a) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities; (b) use its commercially reasonable efforts to defend all lawsuits or other legal, regulatory or other proceedings against the other Party challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated thereby; (c) use commercially reasonable efforts to satisfy all conditions precedent to the Arrangement Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and to comply promptly with all requirements imposed by applicable Law on it or its Subsidiaries with respect to the Arrangement Agreement or the Arrangement; (d) use its commercially reasonable efforts to carry out all actions necessary to ensure the availability of the exemption from registration under section 3(a)(10) of the U.S. Securities Act and applicable state securities laws; (e) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement; and (f) promptly notify the other Party of (i) any Hudbay Material Adverse Effect or Company Material Adverse Effect, as applicable, or any change, effect, event, occurrence or state of facts or circumstance that would reasonably be expected to have, individually or in the aggregate, a Hudbay Material Adverse Effect or the Company Material Adverse Effect, as applicable, (ii) any notice or other communication from any Person alleging that the consent of such Person (or another Person) is required in connection with the Arrangement Agreement or the Arrangement, or (iii) any material proceedings commenced or, to the knowledge of Hudbay or the Company, as applicable, threatened against, relating to or involving or otherwise affecting Hudbay or the Company or any of their respective Subsidiaries, as applicable, in connection with the Arrangement Agreement or the Arrangement. Hudbay has also covenanted to use commercially reasonable efforts to obtain approval of the listing for trading on the NYSE and conditional approval for the listing for trading on the TSX, by the Effective Time, of the Consideration Shares, subject to in the case of the NYSE, the official notice of issuance and in the case of the TSX, the satisfaction of customary conditions.

The Arrangement Agreement also contains customary covenants of the Company and Hudbay pertaining to, among other things: (a) the conduct of their respective businesses including with respect to, among other things, corporate matters, and in

the case of the Company, issuing shares or other equity, distributions, dispositions and acquisitions, capital expenditures, indebtedness, employment and compensation arrangements, material contracts, maintenance of insurance policies, and taxes; (b) efforts to obtain the Regulatory Approvals; (c) Tax matters; (d) access to information; (e) insurance and indemnification; (f) in the case of Hudbay, blue-sky laws and certain employee matters; and (g) in the case of the Company, delisting matters, resignations of the directors and officers of the Company and its Subsidiaries, as requested by Hudbay, matters related to the Pre-Acquisition Reorganization, and debt financing assistance.

Covenants Regarding Non-Solicitation and Acquisition Proposals

Non-Solicitation

Except as expressly provided in the Arrangement Agreement, the Company has agreed to not, and to cause each of its Subsidiaries to not, and to not authorize or permit any of its or their Representatives to take any action of any kind that would reasonably be expected to, directly or indirectly, interfere with the successful and timely completion of the Arrangement, including any action to:

- solicit, assist, initiate, encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, facilities, books or records of a Party or any of its Subsidiaries) any inquiry, proposal, or offer from any other Person that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal in respect of such Party;

- engage or participate in or otherwise knowingly facilitate any discussions or negotiations with any Person (other than Hudbay or its affiliates) in respect of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, provided that the Company may (a) advise any Person of the restrictions of the Arrangement Agreement, (b) clarify the terms of any proposal in order to determine if it may reasonably be expected to result in a Superior Proposal, and (c) advise any Person making an Acquisition Proposal that the Board has determined that such Acquisition Proposal does not constitute or is not reasonably expected to result in a Superior Proposal;

- make a Change in Recommendation;

- accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any publicly announced or otherwise publicly disclosed Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days following such public announcement or disclosure will not be considered to be in violation of the Arrangement Agreement, provided the Board has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such five business day period (or, in the event Company Meeting is scheduled to occur within such five business day period, not later than the third business day prior to the date of the Company Meeting, as applicable)); or

- accept or enter into, or publicly propose to accept or enter into, any Contract (including any letter of intent, agreement in principle, agreement, arrangement or understanding) relating to any Acquisition Proposal (other than a confidentiality agreement permitted by the Arrangement Agreement) or requiring the Company to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any Person in the event that the Arrangement or any other transaction with Hudbay or any of its respective affiliates agreed to prior to any termination of the Arrangement Agreement is consummated.

The Company has agreed to, and to direct and cause its Representatives and its Subsidiaries and their respective Representatives to, immediately cease and cause to be terminated, any existing solicitation, encouragement, discussion or negotiation with any Person (other than Hudbay and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, whether or not initiated by the Company, and, in connection therewith, the Company has agreed to discontinue access to any of its and its Subsidiaries' confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise, in each case, except as permitted by the Arrangement Agreement) and shall as promptly as reasonably practicable

request, and exercise all rights it has (or cause its Subsidiaries to exercise any rights that they have) to require the return or destruction of all confidential information regarding the Company and its Subsidiaries provided in connection therewith to the extent such information has not already been returned or destroyed, and shall use its commercially reasonable efforts to confirm that such requests are honoured in accordance with the terms of such rights.

The Company has agreed that (i) it shall strictly enforce any confidentiality, standstill or similar agreement, restriction or covenant to which the Company or any of its Subsidiaries is a party or any such agreement, restriction or covenant to which the Company or any of its Subsidiaries may hereafter become a party in accordance with Section 7.3 of the Arrangement Agreement and (ii) none of the Company, any of its Subsidiaries or any of their respective Representatives have released or will, without the prior written consent of Hudbay (which may be withheld or delayed in Hudbay's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Company, or any of its Subsidiaries, in each case, with respect to an Acquisition Proposal, under any confidentiality, non-solicitation, standstill or similar agreement or restriction to which the Company or any of its Subsidiaries is a party, or any such agreement, restriction or covenant to which the Company may hereafter become a party in accordance with Section 7.3 of the Arrangement Agreement (it being understood that the automatic termination or release of any standstill provisions contained in any such agreement as a result of the entering into or announcement of the Arrangement Agreement shall not be a violation of the Arrangement Agreement).

Notification of Acquisition Proposals

The Company has agreed that it shall promptly provide notice to Hudbay of any Acquisition Proposal or any proposal, inquiry or offer that constitutes, or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for non-public information relating to the Company or any of its Subsidiaries or any request to engage in discussions or negotiations with the Company in connection with an Acquisition Proposal or request for access to the properties, books or records of the Company or any Subsidiary in connection with any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to an Acquisition Proposal, in each case received on or after the date of the Arrangement Agreement, by the Company or any of its Subsidiaries, or any of its or their Representatives. Such notice to Hudbay shall:

- be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours of such Acquisition Proposal, proposal, inquiry, offer, or request) in writing;

- indicate the identity of the Person or group of Persons making such proposal, inquiry or contact and all material terms and conditions thereof (including the Company's valuation of any non-cash consideration); and

- include copies of any such Acquisition Proposal, proposal, inquiry, offer or request and all material written communications (and a summary of all substantive discussions) related thereto;

The Company shall keep Hudbay promptly and fully informed of the status, including any changes, modifications or amendments to the material terms of any such Acquisition Proposal, proposal, inquiry, offer, or request and will respond promptly to all inquiries by Hudbay with respect thereto.

Responding to an Acquisition Proposal

Notwithstanding the covenants described under "*Non-Solicitation*" above, if prior to obtaining the approval of the Arrangement Resolution, the Company receives an unsolicited bona fide written Acquisition Proposal, the Company may (a) engage in or participate in discussions or negotiations with the Person or group of Persons making such Acquisition Proposal, and (b) provide such Person or group of Persons non-public information relating to the Company or any of its Subsidiaries or access to the properties, books or records of the Company or any Subsidiary, if and only if:

- the Board first determines in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal constitutes or, if consummated substantially consistent with its terms, could reasonably be expected to constitute or lead to, a Superior Proposal, and has provided Hudbay with written notice of such determination;

- the Person making such Acquisition Proposal was not restricted from making the Acquisition Proposal pursuant to an existing confidentiality, standstill, non-solicitation or similar restriction with the Company or any of its Subsidiaries (it being acknowledged by Hudbay that the automatic termination or automatic release, in each case pursuant to the terms thereof, of any standstill restrictions of any such agreements as a result of the entering into or announcement of the Arrangement Agreement shall not be a violation of the covenants described in this section);

- the Company has been, and continues to be, in compliance with its obligations described under Article 7 of the Arrangement Agreement;

- prior to providing any such copies, access or disclosure, (a) the Company enters into a confidentiality and standstill agreement with such Person, or confirms it has previously entered into such an agreement which remains in effect, in either case on terms not less stringent than the Confidentiality Agreement, (b) the Company provides Hudbay with a true, complete and final executed copy of such confidentiality agreement, and (c) such copies, access or disclosure provided to such Person shall have already been or shall concurrently be provided to the other Party; and

- the Company promptly provides Hudbay with: (a) prior written notice stating the Company's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure; (b) prior to providing such copies, access or disclosure, a true, complete and final executed copy of the acceptable confidentiality agreement referred to in the Arrangement Agreement; and (c) any non-public information concerning the Company and its Subsidiaries provided to such other Person which was not previously provided to Hudbay.

Superior Proposals and Right to Match

The Parties have agreed that if, prior to the approval of the Arrangement Resolution, the Company receives an unsolicited written Acquisition Proposal that the Board (after receiving advice from its financial advisors and outside legal counsel) determines in good faith constitutes a Superior Proposal, the Board may make a Change in Recommendation and/or enter into a definitive agreement (a "**Proposed Agreement**"), with respect to such Superior Proposal if and only if:

- the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing standstill or similar restriction with the Company or any of its Subsidiaries (it being acknowledged by Hudbay that the automatic termination or automatic release, in each case pursuant to the terms thereof, of any standstill restrictions of any such agreements as a result of the entering into or announcement of the Arrangement Agreement shall not be a violation of this covenant);

- the Company has been, and continues to be, in compliance with its obligations under Articles of the Arrangement Agreement;

- the Company has provided Hudbay with a notice in writing (a "**Superior Proposal Notice**"), which notice shall contain: (a) the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal; (b) the value in financial terms that the Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal; (c) a copy of any Proposed Agreement relating to such Superior Proposal; and (d) copies of any material financing documents provided to the Company in connection therewith (with customary redactions);

- at least five business days shall have elapsed from the date that Hudbay received the Superior Proposal Notice from the Company (the "**Matching Period**");

- during the Matching Period, Hudbay shall have had the opportunity (but not the obligation) to amend the terms of the Arrangement in accordance with the Arrangement Agreement;

- after the Matching Period, the Board (after receiving advice from its financial advisors and outside legal counsel) has determined in good faith that such Acquisition Proposal continues to constitute a Superior Proposal compared to any amendments to the terms of the Arrangement proposed by Hudbay and that the failure to make a Change in Recommendation or to enter into the Proposed Agreement would be inconsistent with the fiduciary duties of the Board; and

- prior to or concurrently with entering into such Proposed Agreement, the Company shall have terminated the Arrangement Agreement and shall have paid to Hudbay the Termination Payment, as described below.

The Company acknowledges and agrees that, during the Matching Period or such longer period as the Company may approve: (a) Hudbay shall have the opportunity, but not the obligation, to propose to amend the terms of the Arrangement Agreement and the Arrangement; (b) the Company shall, and shall cause its Representatives to, negotiate in good faith with Hudbay to enable Hudbay to make such amendments to the terms and conditions of the Arrangement Agreement and the Arrangement as Hudbay deems appropriate and as would enable Hudbay to proceed with the Arrangement and any related transactions on such amended terms; and (c) the Board will review any proposal by Hudbay to amend the terms of the Arrangement in order to determine in good faith whether such proposal would result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to constitute a Superior Proposal compared to the proposed amendments to the terms of the Arrangement. If as a consequence of the foregoing, the Board determines that such Acquisition Proposal would cease to constitute a Superior Proposal as compared to the proposed amendments to the terms of the Arrangement, the Company shall promptly so advise Hudbay and the Company and Hudbay shall amend the Arrangement Agreement and the Plan of Arrangement to reflect such proposed amendments and shall take or cause to be taken all such actions as are necessary to give effect to the foregoing.

The Board shall promptly reaffirm the Board Recommendation by press release after: (a) any Acquisition Proposal which the Board determines not to constitute a Superior Proposal is publicly announced or disclosed; or (b) the Board determines that a proposed amendment to the terms of the Arrangement would result in the Acquisition Proposal which has been publicly announced or disclosed no longer constituting a Superior Proposal. Hudbay and its Representatives shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are appropriate will be determined by the Company, acting reasonably.

Nothing in the Arrangement Agreement shall prevent the Board from (a) responding through a directors' circular or otherwise, only to the extent required by applicable Canadian Securities Laws, to an Acquisition Proposal that it determines is not a Superior Proposal, (b) making disclosure to the Shareholders if the Board (after receiving advice from its financial and legal advisors) shall have determined in good faith that the failure to make such disclosure would be expected to be inconsistent with its fiduciary duties or such disclosure is otherwise required by Law (it being understood that, notwithstanding the foregoing, any action that would otherwise constitute a Change in Recommendation hereunder shall constitute such a Change in Recommendation), (c) calling and holding a meeting of Shareholders requisitioned by Shareholders in accordance with the BCBCA, or (d) calling and holding a meeting of Shareholders ordered to be held by a court in accordance with Law.

Each successive amendment or modification of any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders, as applicable or other material terms or conditions thereof, shall constitute a new Acquisition Proposal (and Hudbay shall be afforded a new five business day Matching Period from the date of its receipt of the Superior Proposal Notice).

If the Company provides Hudbay with a Superior Proposal Notice on a date that is less than five business days prior to the Company Meeting, the Company may (and, if requested by Hudbay, the Company shall) adjourn or postpone the Company Meeting to a date that is not more than ten business days after the date scheduled for the Company Meeting; provided, however, that the Company Meeting shall not be adjourned or postponed to a date later than the seventh business day prior to the Outside Date.

Without limiting the generality of the foregoing: (a) the Company shall ensure that the Representatives retained by the Company and/or its Subsidiaries are aware of the restrictions set out in Article 7 of the Arrangement Agreement; (b) any violation of the restrictions set out in the Article 7 of the Arrangement Agreement by the Company, its Subsidiaries or its or their Representatives will be deemed to be a breach of Article 7 of the Arrangement Agreement by the Company; and (c) the Company shall be responsible for any breach of Article 7 of the Arrangement Agreement by such Representatives.

Termination of the Arrangement Agreement

Termination by Either Party

The Arrangement Agreement may be terminated prior to the Effective Time (notwithstanding any approval of the Arrangement Agreement or the Arrangement Resolution by the Shareholders and/or by the Court, as applicable) by mutual written agreement of the Company and Hudbay, or by either the Company or Hudbay if:

- *Occurrence of Outside Date*. The Effective Time shall not have occurred on or before the Outside Date, except that such termination right is not available to any Party whose failure to perform any of its covenants or agreements or breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date;

- *Illegality*. After the date of the Arrangement Agreement, there shall have been enacted, made or enforced any applicable Law (or any applicable Law shall have been amended) that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins the Company or Hudbay from consummating the Arrangement and such applicable Law, prohibition or enjoinment shall have become final and non-appealable; provided that the Party seeking to exercise this termination right has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement, and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or

- *Failure to Obtain Securityholder Approval.* The Securityholder Approval shall not have been obtained at the Company Meeting (or any adjournment or postponement thereof) in accordance with the Interim Order, except that this right to terminate the Arrangement Agreement shall not be available to any Party whose failure to fulfill any of its covenants or agreements or breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure to receive the Securityholder Approval.

Termination by Hudbay

The Arrangement Agreement may be terminated prior to the Effective Time (notwithstanding any approval of the Arrangement Agreement or the Arrangement Resolution by the Shareholders and/or by the Court, as applicable) by Hudbay if:

- *Change in Recommendation*. (1) The Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, qualify, amend or modify, in a manner adverse to Hudbay, the Board Recommendation; (2) the Board fails to publicly reaffirm (without qualification) the Board Recommendation within five business days (or beyond the date that is three business days prior to the Company Meeting) after having been requested in writing by Hudbay to do so; (3) the Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, an Acquisition Proposal or takes no position or a neutral position with respect to a publicly announced or publicly disclosed Acquisition Proposal in respect of the Company for more than five business days (or beyond the date that is three business days prior to the Company Meeting) after such Acquisition Proposal's public announcement or public disclosure (a "**Change in Recommendation**"); or (4) the Company shall have breached the non-solicitation provisions in any material respect;

- *Company Material Adverse Effect*. A Company Material Adverse Effect has occurred since September 30, 2025 and is continuing; or

- *Breach of Representation or Warranty or Failure to Perform Covenants by the Company*. Subject to compliance with the notice and cure provisions of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company set forth in the Arrangement Agreement (other than the covenants relating to non-solicitation and Acquisition Proposals described above) shall have occurred that would cause the mutual conditions precedent or conditions precedent to Hudbay's obligations not to be satisfied, and such breach or failure is incapable of being cured prior to the Outside Date; provided that Hudbay is not then in breach of the Arrangement Agreement so as to cause any mutual condition precedent or condition precedent to the Company's obligations not to be satisfied.

Termination by the Company

The Arrangement Agreement may be terminated prior to the Effective Time by the Company if:

- *Hudbay Material Adverse Effect*. A Hudbay Material Adverse Effect since December 31, 2025 has occurred and is continuing;

- *Breach of Representation or Warranty or Failure to Perform Covenants by Hudbay*. Subject to compliance with the notice and cure provisions of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Hudbay set forth in the Arrangement Agreement shall have occurred that would cause the mutual conditions precedent or conditions precedent to the Company's obligations not to be satisfied, and such breach or failure is incapable of being cured prior to the Outside Date, provided that the Company is not then in breach of the Arrangement Agreement so as to cause any mutual condition precedent or condition precedent to Hudbay's obligations not to be satisfied; or

- *Superior Proposal*. Prior to the approval of the Arrangement Resolution, the Company enters into a Proposed Agreement with respect to a Superior Proposal (other than a confidentiality and standstill agreement permitted by the Arrangement Agreement), provided that the Company is then in compliance with the covenants relating to non-solicitation and Acquisition Proposals described above in all material respects and that, prior to or concurrently with such termination, the Company pays the Termination Payment described below.

Termination Event and Termination Payment

The Arrangement Agreement provides that if a Termination Payment Event occurs, the Company shall pay, as liquidated damages in consideration for the loss of Hudbay's rights under the Arrangement Agreement, by wire transfer of immediately available funds, the Termination Payment in the amount of $70,000,000 to Hudbay.

A "**Termination Payment Event**" means the termination of the Arrangement Agreement:

- by Hudbay upon the circumstances described in the paragraph "*Change in Recommendation*" under the heading "*Termination of the Arrangement Agreement – Termination by Hudbay*" above;

- by the Company upon circumstances described in the paragraph "*Superior Proposal*" under the heading "*Termination of the Arrangement Agreement – Termination by the Company*" above; or

- by either Party upon circumstances described in the paragraphs "*Occurrence of Outside Date*" or "*Securityholder Approval*" under the heading "*Termination of the Arrangement Agreement – Termination by Either Party*" above, or by Hudbay upon circumstances described in the paragraph "*Breach of Representation or Warranty or Failure to Perform Covenants by the Company*" under the heading "*Termination of the Arrangement Agreement – Termination by Hudbay*" above, or by the Company upon circumstances described in the paragraph "*Breach of Representation or Warranty or Failure to Perform Covenants by Hudbay*" under the heading "*Termination of the Arrangement Agreement – Termination by the Company*" above, but, in each case, only if:

    (a) prior to such termination, a bona fide Acquisition Proposal in respect of the Company shall have been made to the Company and publicly announced by any Person (other than Hudbay or its affiliates); and

    (b) within 12 months following the date of such termination, either (1) the Company or one or more of its Subsidiaries enters into a Contract in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (a) above) and such Acquisition Proposal is subsequently consummated (whether or not within 12 months after such termination), or (2) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (a) above) is consummated or effected (and for purposes of this clause, the term "Acquisition Proposal" shall have the meaning ascribed to such term in the Arrangement Agreement, except that a reference to "20%" shall be deemed to be a reference to "50%").

In the event that either Party terminates the Arrangement Agreement pursuant to the Outside Date provision at a time where the Specified Regulatory Approvals condition has not been satisfied as a result of the failure to obtain the CFIUS Clearance in circumstances where all other Specified Regulatory Approvals have been obtained and all other conditions set forth in the Arrangement Agreement have been satisfied or waived (other than those conditions that by their terms can only be satisfied on the Effective Date), Hudbay shall reimburse the Company for all reasonable and documented expenses incurred by the

Company in connection with the Arrangement Agreement and the transactions contemplated hereby, provided that such reimbursement shall be limited to a maximum of $2,000,000 (the "**Expense Reimbursement Payment**").

Amendments

Subject to the provisions of the Interim Order and Final Order and applicable Laws, the Plan of Arrangement and applicable Laws, the Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Securityholders, and any such amendment may without limitation:

- change the time for performance of any of the obligations or acts of the Parties;
- waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant thereto;
- waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; and
- waive compliance with or modify any mutual conditions precedent herein contained.

In addition, pursuant to the Plan of Arrangement:

- Hudbay and the Company reserve the right to amend, modify or supplement the Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be (a) agreed to in writing by the Company and Hudbay, (b) filed with the Court and, if made following the Company Meeting, approved by the Court, and (c) communicated to the Securityholders if and as required by the Court.
- subject to the provisions of the Interim Order, any amendment, modification or supplement to the Plan of Arrangement may be proposed by Hudbay and the Company at any time prior to the Company Meeting (provided, however, that the Parties shall have consented thereto in writing), with or without any other prior notice or communication, and, if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of the Plan of Arrangement for all purposes.
- any amendment, modification or supplement to the Plan of Arrangement that is approved by the Court following the Company Meeting shall be effective only if: (a) it is consented to in writing by each of Hudbay and the Company (each acting reasonably), and (b) if required by the Court, it is consented to by the Securityholders voting in the manner directed by the Court.
- any amendment, modification or supplement to the Plan of Arrangement may be made by the Company and Hudbay without the approval of or communication to the Court or the Securityholders, provided that it concerns a matter which, in the reasonable opinion of the Company and Hudbay, is of an administrative or ministerial nature required to better give effect to the implementation of the Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Securityholders.
- the Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

RISK FACTORS

In evaluating the Arrangement, Securityholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risks associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the trading price of the Common Shares, the Hudbay Shares and/or the business of Hudbay following the Arrangement.

In addition to the risk factors relating to the Arrangement set out below, Securityholders should also carefully consider the risk factors associated with the businesses of the Company and Hudbay under the headings "*Risk Factors*" in Appendix "F" – "*Information Concerning Hudbay*" and in Appendix "G" – "*Information Concerning Hudbay Following the Arrangement*" in this Circular and in the documents incorporated by reference herein. If any of these risks materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

Risks Associated with the Arrangement

The Hudbay Shares issued in connection with the Arrangement may have a market value different than expected

The number of Hudbay Shares received as part of Consideration will not be adjusted to reflect any changes in the market value of Hudbay Shares and the market values of the Hudbay Shares and the Common Shares at the Effective Time may vary significantly from the values at the date of this Circular. If the market price of Hudbay Shares declines, the value of the Consideration Shares will decline as well. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Hudbay, market assessments of the likelihood that the Arrangement will be consummated, regulatory considerations, general market and economic conditions, changes in the prices of metals and other factors, including those factors over which neither the Company nor Hudbay has control.

The market price of the Common Shares may be materially adversely affected in certain circumstances

Market assessments of the benefits of the Arrangement and the likelihood that the Arrangement will be consummated may impact the market price of the Common Shares prior to the consummation of the Arrangement. If, for any reason, the Arrangement is not completed or its completion is materially delayed or the Arrangement Agreement is terminated, the market price of Common Shares may be materially adversely affected and decline to the extent that the current market price of the Common Shares reflects a market assumption that the Arrangement will be completed. Depending on the reasons for terminating the Arrangement Agreement, the Company's business, financial condition or results of operations could also be subject to various material adverse consequences, including as a result of paying the Termination Payment or the transaction expenses in connection with the Arrangement.

There are risks related to the integration of existing businesses of the Company and Hudbay

The ability to realize the benefits of the Arrangement including, among other things, those set forth in this Circular under "*The Arrangement – Reasons for the Arrangement*", will depend, in part, on Hudbay's ability following the Arrangement to realize the anticipated growth opportunities and synergies from integrating the businesses of the Company and Hudbay following completion of the Arrangement as well as on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities available to Hudbay following completion of the Arrangement, and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business and employee relationships that may adversely affect the ability of Hudbay following the Arrangement to achieve the anticipated benefits of the Arrangement.

The Company is restricted from taking certain actions while the Arrangement is pending

The Company is subject to customary non-solicitation provisions under the Arrangement Agreement, pursuant to which the Company is restricted from soliciting, assisting, initiating, encouraging, or otherwise knowingly facilitating or entering into any form of agreement, arrangement or understanding that constitutes, or that may reasonably be expected to constitute or lead to, an Acquisition Proposal, among other things. See "*The Arrangement Agreement – Covenants – Covenants Regarding Non-Solicitation and Acquisition Proposals*" in this Circular. The Arrangement Agreement also restricts the Company from taking specified actions in the conduct of its business until the Arrangement is completed without the consent of Hudbay. These restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement. See "*The Arrangement Agreement – Covenants – General Conduct of Business and Covenants Relating to the Arrangement"* in this Circular.

The completion of the Arrangement is uncertain and the Company will incur costs and may have to pay the Termination Payment in certain circumstances if the Arrangement is not completed

If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of the Company's resources to the completion thereof could have a negative impact on the Company's relationships with its stakeholders and could have a Company Material Adverse Effect on the current and future operations, financial condition and prospects of the Company.

In addition, certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by the Company even if the Arrangement is not completed. The Company is liable for its own costs incurred in connection with the Arrangement. If the Arrangement is not completed, the Company may be required to pay to Hudbay, the Termination Payment in certain circumstances. See "*The Arrangement Agreement – Termination of the Arrangement Agreement*" in this Circular.

The Termination Payment provided under the Arrangement Agreement may discourage other parties from attempting to acquire the Company

Under the Arrangement Agreement, the Company would be required to pay the Termination Payment in the amount of $70,000,000 if the Arrangement Agreement is terminated in certain circumstances. The Termination Payment may discourage other parties from attempting to acquire Common Shares or otherwise making an Acquisition Proposal to the Company, even if those parties would otherwise be willing to offer greater value to Securityholders than that offered by Hudbay under the Arrangement. See "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Event and Termination Payment*" in this Circular.

The Arrangement may divert the attention of the Company's Management

The Arrangement could cause the attention of the Company's management to be diverted from the day-to-day operations of the Company. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of the Company.

The completion of the Arrangement is subject to conditions precedent including receipt of the Specified Regulatory Approvals

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of the Company and Hudbay, including, but not limited to, receipt of the Final Order, the Specified Regulatory Approvals and the Securityholder Approval. See "*The Arrangement Agreement – Conditions to Closing*" in this Circular.

In addition, the completion of the Arrangement by either Party is conditional on, among other things, no Company Material Adverse Effect or Hudbay Material Adverse Effect having occurred.

There can be no certainty, nor can the Company or Hudbay provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or as to the timing of the satisfaction and waiver of such conditions precedent and, accordingly, the Arrangement may not be completed. If the Arrangement is not completed, the market price of Common Shares may be adversely affected.

The Arrangement Agreement may be terminated in certain circumstances

Each of the Company and Hudbay has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of closing, to terminate the Arrangement Agreement. Accordingly, there can be no certainty, nor can the Company provide any assurance, that the Arrangement will not be terminated by the Company or Hudbay prior to the completion of the Arrangement. In addition, if the Arrangement is not completed by the Outside Date, the Company or Hudbay may terminate the Arrangement Agreement. The Arrangement Agreement also contemplates the Termination Payment payable by the Company if the Arrangement Agreement is terminated in certain circumstances. Additionally, any termination will result in the failure to realize the expected benefits of the Arrangement in respect of the operations and business of the Company.

If the Arrangement Agreement is terminated, there is no assurance that the Board will be able to find a party willing to pay an equivalent or greater price than the Consideration to be paid pursuant to the terms of the Arrangement Agreement.

The Arrangement is subject to the approval of the Arrangement Resolution

The Arrangement requires that the Arrangement Resolution receive the Securityholder Approval. There can be no certainty, nor can the Company or Hudbay provide any assurance, that the Arrangement Resolution will be approved. If the Securityholder Approval is not obtained and the Arrangement is not completed, the market price of the Common Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the Board decides to seek another transaction or business combination, there can be no assurance that it will be able to find a party willing to agree to an equivalent or more attractive price than the Consideration to be paid pursuant to the Arrangement.

Directors and senior officers of the Company have interests in the Arrangement that may be different from those of Securityholders generally

In considering the Board Recommendation, Securityholders should be aware that certain members of the Company's senior officers and the Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement. See "*The Arrangement – Interests of Certain Persons in the Arrangement*" in this Circular.

The foregoing risks or other risks arising in connection with the failure of the Arrangement, including the diversion of management attention from conducting the business of the Company, may have a Company Material Adverse Effect on the Company's business operations, financial condition, financial results and share price.

The Company and Hudbay may be the targets of legal claims, securities class action, derivative lawsuits and other claims

The Company and Hudbay may be the target of securities class action and derivative lawsuits which could result in substantial costs and may delay or prevent the Arrangement from being completed. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into an agreement to acquire a public company or to be acquired. Third parties may also attempt to bring claims against the Company or Hudbay seeking to restrain the Arrangement or seeking monetary compensation or other redress. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Arrangement, then that injunction may delay or prevent the Arrangement from being completed.

Dissent Rights may result in the Arrangement not being completed

Registered Shareholders as of the Record Date and as of the deadline for exercising Dissent Rights have the right to exercise Dissent Rights and demand payment of the fair value of their Common Shares in cash in connection with the Arrangement in accordance with the BCBCA. If holders of more than 5% of the Common Shares elect to exercise their Dissent Rights, the Arrangement may not be completed.

The announcement and pendency of the Arrangement may adversely impact the Company's existing business relationships

The announcement and pendency of the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement, the failure to complete those transactions, and/or actions that the Company may be required (or may be permitted by Hudbay) to take pursuant to the Arrangement Agreement and the Plan of Arrangement could have an adverse impact on the Company's existing and prospective business relationships with customers, suppliers and other third parties and on the Company's employees. The Company's ability to attract and retain key personnel may be adversely affected during the pendency of the Arrangement.

The Company did not pursue a formal auction or other process to solicit potential alternative buyers

Prior to entering into the Arrangement Agreement, the Company engaged in negotiations with Hudbay alone and did not pursue a formal auction or other process to solicit potential alternative buyers. The Independent Directors and the Board, after consultation with management and its financial and legal advisors and taking into consideration, among other things, such other matters considered relevant, including the factors described under the heading "*The Arrangement – Reasons for the Arrangement*", determined that the reasons for the Arrangement outweighed the benefits of soliciting expressions of interest from other potential buyers. However, there can be no assurance that, if the Company had solicited expressions of interest from other potential buyers, that one or more of such potential buyers would not have been willing to acquire the Company on more favourable terms than Hudbay.

Tax consequences of the Arrangement may differ from anticipated treatment, including that if the Arrangement does not qualify as a tax-deferred "reorganization", some Shareholders may be required to pay substantial U.S. federal income taxes

There can be no assurance that the CRA, the IRS or other applicable taxing authorities will agree with the Canadian and U.S. federal income tax consequences of the Arrangement, as applicable, as set forth in this Circular. Furthermore, there can be no assurance that applicable Canadian and U.S. income tax Laws, regulations or tax treaties will not change (legislatively, judicially or otherwise) or be interpreted in a manner, or that applicable taxing authorities will not take an administrative position, that is adverse to the Company, Hudbay or their respective shareholders following completion of the Arrangement. Taxation authorities may also disagree with how the Company or Hudbay, following the Arrangement, calculate or have in the past calculated their income or other amounts for tax purposes. Any such events could adversely affect Hudbay, its share price or the dividends that may be paid to the Hudbay Shareholders following completion of the Arrangement.

Although the Company and Hudbay intend that the Arrangement will qualify as a tax-deferred reorganization, it is possible that the IRS may assert that the Arrangement fails to qualify as such. If the IRS were to be successful in any such contention, or if for any other reason the Arrangement was to fail to qualify as a tax-deferred reorganization, each U.S. Holder of Common Shares would recognize a gain or loss with respect to all of such U.S. Holder's Common Shares, as applicable, based on the difference between: (i) the fair market value of the Hudbay Shares received; and (ii) that U.S. Holder's tax basis in such U.S. Holder's Common Shares. See "*Certain United States Federal Income Tax Considerations*" in this Circular.

INFORMATION CONCERNING THE COMPANY

The Company was incorporated under the BCBCA on April 3, 2019, under the name "Elim Mining Incorporated". On July 12, 2021, the Company changed its name from "Elim Mining Incorporated" to "Arizona Sonoran Copper Company Inc."

On November 16, 2021, the Company completed the initial public offering and secondary offering of its Common Shares. The Company became a reporting issuer in all provinces and territories of Canada, except for Québec on November 9, 2021.

The Company's principal asset is a 100% interest in the Cactus Project which is situated on private land in an infrastructure-rich area of Arizona.

Description of Capital Structure

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares without par value, of which 208,741,884 Common Shares were issued and outstanding as at the Record Date.

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its

liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the Board in respect of the Common Shares on a pro rata basis.

Any alteration of the rights, privileges, restrictions and conditions attaching to the Common Shares under the Articles must be approved by at least two-thirds of the Common Shares voted at a meeting of the Company's shareholders.

As at the Record Date, there were (i) 7,738,267 Options, (ii) 713,937 DSUs, and (iii) 1,024,173 RSUs outstanding.

Trading Price and Volume

The Common Shares are listed for trading on the TSX under the symbol "ASCU". The Company also trades in the United States on the OTCQX Best Market under the symbol "ASCUF". The following table sets out the price ranges and volume of the Common Shares that were traded on the TSX for the twelve-month period preceding the date of this Circular (source: TSX).

Month	Price Range ($)		Monthly Trading Volume (Common Shares)
	High	Low	
April 2025	2.47	1.75	3,856,517
May 2025	2.15	1.90	1,346,951
June 2025	2.32	2.00	4,731,475
July 2025	2.57	2.20	6,058,809
August 2025	2.77	2.20	3,463,749
September 2025	3.20	2.47	8,197,875
October 2025	3.95	2.97	10,901,944
November 2025	4.08	3.26	6,586,850
December 2025	5.08	3.81	8,400,818
January 2026	6.30	4.81	11,215,670
February 2026	7.25	5.32	10,261,511
March 2026	9.16	5.83	34,196,684
April 1-6, 2026	7.42	6.85	5,923,628

On February 27, 2026, being the last trading day on which the Common Shares traded prior to the announcement of the entering into of the Arrangement Agreement, the closing price of the Common Shares on the TSX was $7.22 per Common Share. As of the close of markets April 6, 2026, the last trading day prior to the date of this Circular, the closing price of the Common Shares on the TSX was $7.34 per Common Share.

Following the completion of the Arrangement, it is expected that the Common Shares will be de-listed from the TSX as promptly as practicable following the Effective Date.

Previous Purchases and Sales by the Company

No Common Shares have been purchased or sold by the Company during the 12-month period prior to the date of this Circular, other than (i) pursuant to the grant or exercise or vesting, as applicable, of Options, DSUs and RSUs, and (ii) as described below:

Date	Nature of Transaction	Number of Common Shares	Price per Common Share	Aggregate Price
June 20, 2025	Sale[1]	25,875,000	$2.00	$51,750,000.00
July 10, 2025	Sale[2]	2,907,612	$2.00	$5,815,224.00
August 29, 2025	Sale[2]	1,549,487	US$1.95	US$3,021,499.65
December 2, 2025	Sale[1]	25,746,300	$3.35	$86,250,105.00
December 12, 2025	Sale[2]	3,111,089	$3.35	$10,422,148.15

Notes:

(1) Common Shares issued in connection with a prospectus offering.
(2) Common Shares issued on a private placement basis.

Previous Distributions

Except as disclosed below, no Common Shares were distributed during the five-year period preceding the date of this Circular. On July 20, 2021, the Company completed a consolidation of the Common Shares on the basis of three (3) pre-Consolidation common shares for one (1) post-Consolidation common share (the "**Consolidation**"). All figures below relating to a number, value or price of Common Shares have been adjusted to reflect the Consolidation. If the application of the Consolidation to an issuance of Common Shares resulted in a fractional Common Share, such Common Share was rounded down to the nearest whole Common Share. As a result, certain post-Consolidation numbers described in this section will vary slightly from a 1:3 ratio from the applicable pre-Consolidation number because the issuance they relate to comprises of individual issuances that were rounded down.

Date	Type of Security	Number of Securities	Issuance / Exercise Price per Security	Aggregate Gross Proceeds to the Company
May 20, 2021	Common Shares[1]	48,125	US$1.50	N/A
June 8, 2021	Common Shares[2]	114,583	US$0.24	US$27,499.92
June 22, 2021	Common Shares[1]	98,750	US$2.10	N/A
July 7, 2021	Common Shares[3]	128,979	US$0.45	US$58,040.55
July 7, 2021	Common Shares[4]	55,276	N/A	N/A
July 7, 2021	Common Shares[5]	6,666,666	US$0.45	US$2,999,999.70
July 7, 2021	Common Shares[6]	238,095	US$2.10	US$499,999.50
September 8, 2021	Common Shares[5]	1,777,777	US$0.60	US$1,066,666.20
September 23, 2021	Common Shares[10]	485,711	US$2.10	US$1,019,993.10
November 15, 2021	Common Shares[7]	18,367,347	$2.45	$45,000,000.15
November 16, 2021	Common Shares[4]	1,053,012	US$1.95	N/A
January 10, 2022	Common Shares[3]	60,190	$0.56	$33,706.40
February 15, 2022	Common Shares[5]	138,866	$0.56	$77,764.96
February 15, 2022	Common Shares[3]	60,190	$0.56	$33,706.40
March 11, 2022	Common Shares[5]	69,433	$0.56	$38,882.48
April 14, 2022	Common Shares[5]	34,716	$0.56	$19,440.96
May 13, 2022	Common Shares[6]	17,500,000	$2.00	$35,000,000.00
July 1, 2022	Common Shares[4]	30,466	$0.50	N/A
December 12, 2022	Common Shares[5][9]	119,433	$0.49	$58,882.48
January 25, 2023	Common Shares[5][9]	79,165	$0.42	$33,332.4

Date	Type of Security	Number of Securities	Issuance / Exercise Price per Security	Aggregate Gross Proceeds to the Company
February 16, 2023	Common Shares[8]	15,000,000	$2.00	$30,000,000.00
March 10, 2023	Common Shares[5][9]	137,146	US$0.34	US$46,629.64
March 23, 2023	Common Shares[3]	107,649	US$0.45	US$48,442.05
March 23, 2023	Common Shares[5][9]	12,153	US$0.32	US$3,888.96
March 23, 2023	Common Shares[5][9]	316,660	US$0.32	US$101,331.20
March 31, 2023	Common Shares[6]	1,229,140	$2.00	$2,458,280.00
March 31, 2023	Common Shares[5]	55,546	US$0.45	US$24,995.70
April 13, 2023	Common Shares[5]	3,471	US$0.45	US$1,561.95
April 18, 2023	Common Shares[5][9]	244,398	US$0.39	US$95,315.22
April 25, 2023	Common Shares[5]	222,186	US$0.45	US$99,983.70
April 25, 2023	Common Shares[5]	159,696	US$0.45	US$71,863.20
April 26, 2023	Common Shares[5]	124,980	US$0.45	US$56,241.00
April 26, 2023	Common Shares[5]	34,716	US$0.45	US$15,622.20
May 3, 2023	Common Shares[5]	138,866	US$0.45	US$62,489.70
May 4, 2023	Common Shares[5][9]	97,219	US$0.32	US$31,110.08
May 9, 2023	Common Shares[5]	83,333	US$0.30	US$24,999.90
May 18, 2023	Common Shares[5]	1,822,223	US$0.60	US$1,093,333.80
May 19, 2023	Common Shares[5]	125,000	US$0.30	US$37,500.00
June 5, 2023	Common Shares[5]	22,916	US$0.30	US$6,874.80
June 12, 2023	Common Shares[5]	83,333	US$0.30	US$24,999.90
June 12, 2023	Common Shares[5]	93,750	US$0.30	US$28,125.00
October 23, 2023	Common Shares[3]	41,076	$1.21	$49,701.96
January 14, 2024	Common Shares[3]	75,237	$0.56	$42,132.72
February 26, 2024	Common Shares[4]	86,222	$1.26	N/A
April 1, 2024	Common Shares[3]	58,000	$0.56	$32,480.00
April 12, 2024	Common Shares[3]	58,666	$0.56	$32,852.96
May 10, 2024	Common Shares[5]	114,583	$0.41	$46,979.03
July 31, 2024	Common Shares[3]	107,649	$0.56	$60,283.44
August 6, 2024	Common Shares[3]	11,100	$0.56	$6,216.00
August 8, 2024	Common Shares[3]	36,500	$0.56	$20,440.00
August 9, 2024	Common Shares[3]	60,049	$0.56	$33,627.44
October 9, 2024	Common Shares[8]	23,805,000	$1.45	$34,517,250.00
November 13, 2024	Common Shares[6]	2,151,259	$1.45	$3,119,325.55
January 31, 2025	Common Shares[6]	929,887	$1.68	$1,562,210.16
January 31, 2025	Common Shares[6]	11,955,270	$1.68	$20,084,853.60
March 21, 2025	Common Shares[3]	107,649	$0.56	$60,283.44
April 1, 2025	Common Shares[3]	128,978	$0.56	$72,227.68
May 16, 2025	Common Shares[3]	85,986	$0.56	$48,152.16

Date	Type of Security	Number of Securities	Issuance / Exercise Price per Security	Aggregate Gross Proceeds to the Company
June 20, 2025	Common Shares[8]	25,875,000	$2.00	$51,750,000.00
June 27, 2025	Common Shares[3]	6,850	US$0.45	US$3,082.50
June 27, 2025	Common Shares[3]	8,150	US$0.45	US$3,667.50
June 30, 2025	Common Shares[3]	5,439	US$0.45	US$2,447.55
June 30, 2025	Common Shares[3]	4,561	US$0.45	US$2,052.45
July 3, 2025	Common Shares[3]	6,735	US$0.45	US$3,030.75
July 3, 2025	Common Shares[3]	8,265	US$0.45	US$3,719.25
July 8, 2025	Common Shares[3]	15,048	US$0.45	US$6,771.60
July 10, 2025	Common Shares[6]	2,907,612	$2.00	$5,815,224.00
July 18, 2025	Common Shares[3]	85,986	US$0.45	US$38,693.70
July 18, 2025	Common Shares[3]	16,969	US$0.45	US$7,636.05
July 18, 2025	Common Shares[3]	15,275	US$0.45	US$6,873.75
July 21, 2025	Common Shares[3]	22,184	US$0.45	US$9,982.80
July 22, 2025	Common Shares[3]	23,082	US$0.45	US$10,386.90
July 30, 2025	Common Shares[3]	152,282	US$0.45	US$68,526.90
August 1, 2025	Common Shares[3][9]	277,617	US$1.62	US$449,739.54
August 29, 2025	Common Shares[6]	1,549,487	US$1.95	US$3,021,499.65
November 18, 2025	Common Shares[3]	85,986	US$0.45	US$38,693.70
December 2, 2025	Common Shares[6]	25,746,300	$3.35	$86,250,105.00
December 12, 2025	Common Shares[6]	3,111,089	$3.35	$10,422,148.15
March 23, 2026	Common Shares[3]	5,000	$2.06	$10,300.00
March 24, 2026	Common Shares[3]	65,000	$2.06	$133,900.00
March 25, 2026	Common Shares[3]	15,525	$2.06	$31,981.50
March 26, 2026	Common Shares[3]	100,000	$2.00	$200,000.00
March 27, 2026	Common Shares[3]	21,759	$2.00	$43,518.00
March 30, 2026	Common Shares[3]	1,500	$1.88	$2,820.00
March 30, 2026	Common Shares[3]	72,594	$1.88	$136,476.72
March 31, 2026	Common Shares[3]	70,188	$1.55	$108,791.40

Notes:

(1) Common Shares issued pursuant to an employment agreement.
(2) Common Shares issued as a component of a unit financing.
(3) Common Shares issued upon exercise of Options.
(4) Common Shares issued upon settlement of RSUs.
(5) Common Shares issued upon exercise of Common Share purchase warrants.
(6) Common Shares issued on a private placement basis.
(7) Common Shares issued upon initial public offering.
(8) Common Shares issued in connection with a prospectus offering.
(9) Represents a weighted average exercise price.
(10) Common Shares issued pursuant to a loan agreement.

Dividends

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company does not intend to pay dividends in the foreseeable future. Any decision to pay dividends on the Common Shares in the future will be made by the Board based on the earnings, financial requirements, and other conditions existing at such time. The Arrangement Agreement provides that the Company may not declare, set aside or pay any dividends in respect of the Common Shares.

Commitments to Acquire Securities of the Company

Except as otherwise disclosed in this Circular, there are no agreements, commitments or understandings to acquire securities of the Company by (a) the Company, (b) any directors or officers of the Company, or (c) to the knowledge of the directors and officers of the Company, after reasonable enquiry, by any insider of the Company (other than a director or officer) or any associate or affiliate of such insider or any associate or affiliate of the Company or any person or company acting jointly or in concert with the Company.

Material Changes in the Affairs of the Company and Other Benefits

Except as publicly disclosed or otherwise described in this Circular, the directors and officers of the Company are not aware of any plans or proposals for material changes in the affairs of the Company. See "*The Arrangement – Stock Exchange Delisting and Reporting Issuer Status*" in this Circular.

Except as disclosed elsewhere in this Circular, the directors and officers of the Company are not aware of any specific benefit, direct or indirect, as a result of the material changes or subsequent transactions contemplated in this Circular. See "*The Arrangement – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions*" and "*The Arrangement – Interests of Certain Persons in the Arrangement*" in this Circular.

Arrangements between the Company and Security Holders

Except as disclosed elsewhere in this Circular, the Company has not made and is not proposing to make any agreement, commitment or understanding to a securityholder of the Company relating to the Arrangement. See "*The Arrangement Agreement*" in this Circular.

Additional Information

Further information regarding the business of the Company, its corporate structure, operations and its mineral properties can be found in the Company's public filings available on SEDAR+ at www.sedarplus.ca under the Company's issuer profile, including the Company's annual information form for the financial year ended December 31, 2025.

Financial information is provided in the Company's audited consolidated financial statements of the Company as at and for the years ended December 31, 2025 and 2024 and the accompanying management's discussion and analysis (collectively, the "**Annual Financial Statements and MD&A**"), in each case available on SEDAR+ at www.sedarplus.ca. In addition, copies of the Company's Annual Financial Statements and MD&A may be obtained without charge upon request to the Company by telephone at (520) 858-0600 or by email at info@arizonasonoran.com. The Company may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Company.

INFORMATION CONCERNING HUDBAY

Hudbay is 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 Hudbay, 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.

Hudbay's mission is to create sustainable value and strong returns by leveraging its core strengths in community relations, focused exploration, mine development and efficient operations. Hudbay intends to sustainably grow through the exploration and development of its robust project pipeline, as well as through the acquisition of other properties that fit Hudbay's stringent strategic criteria.

Hudbay is a corporation organized under the CBCA. Hudbay's registered office is located at 333 Bay Street, Suite 3400, Bay Adelaide Centre, Toronto, Ontario M5H 2S7 and its principal executive office is located at 25 York Street, Suite 800, Toronto, Ontario M5J 2V5.

Hudbay's common shares are listed on the TSX, the NYSE and Bolsa de Valores de Lima under the symbol "HBM".

For further information regarding Hudbay, the development of its business and its business activities, see Appendix "F" to this Circular.

INFORMATION CONCERNING HUDBAY FOLLOWING THE ARRANGEMENT

Following completion of the Arrangement, Hudbay will be 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 growth strategy will be focused on sustainable growth through the exploration and development of its robust project pipeline, as well as through the acquisition of other properties that fit its stringent strategic criteria.

Following the Arrangement, Hudbay will continue to be a corporation organized under the CBCA. Hudbay's registered office will be located at 333 Bay Street, Suite 3400, Bay Adelaide Centre, Toronto, Ontario M5H 2S7 and its principal executive office will be located at 25 York Street, Suite 800, Toronto, Ontario M5J 2V5.

Following the Arrangement, Hudbay's common shares will continue to be listed on the TSX, the NYSE and Bolsa de Valores de Lima under the symbol "HBM".

For additional information regarding the business and operations of Hudbay following the completion of the Arrangement, please see Appendix "G" to this Circular.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act of the Arrangement generally applicable to a Shareholder who beneficially owns their Common Shares and Hudbay Shares received pursuant to the Arrangement and who, at all relevant times and for the purposes of the Tax Act: (i) deals, and will deal, at arm's length with each of the Company and Hudbay; (ii) is not, and will not be, affiliated with the Company or Hudbay; (iii) holds all Common Shares, and will hold any Hudbay Shares received pursuant to the Arrangement, as capital property and (iv) is not a "foreign affiliate" as defined in the Tax Act, of a taxpayer resident in Canada (a "**Holder**").

The Common Shares and Hudbay Shares will generally be considered to be capital property to a Holder for purposes of the Tax Act, unless the Holder holds or uses, or is deemed to hold or use, such shares in the course of carrying on a business or has acquired, or is deemed to acquire, such shares as part of an adventure or concern in the nature of trade.

This summary is not applicable to Incentive Securityholders and the tax considerations relevant to such holders are not discussed herein. Any such persons should consult their own tax advisors with respect to the tax consequences of the Arrangement.

This summary is based on the facts set out in this Circular, the current provisions of the Tax Act, the Canada-U.S. Tax Treaty and the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**"), and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing and publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act which have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"). It is assumed that all such Proposed Amendments will be enacted in their present form, although no assurances can be given that the Proposed

Amendments will be enacted as proposed, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in Law, whether by judicial, governmental or legislative action or decision, or changes in the administrative policies and assessing practices of the CRA, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not exhaustive of all possible relevant Canadian federal income tax considerations applicable to the Arrangement. This summary is not, and should not be construed as, legal, business or tax advice to any particular Shareholder and no representations with respect to the tax consequences to any particular Shareholder are made. The tax consequences of the Arrangement will vary according to the Shareholder's particular circumstances. Accordingly, all Shareholders should consult their own tax advisors regarding the tax consequences of the Arrangement applicable to them based on their particular circumstances, including the application and effect of the income and other tax laws of any country, province or jurisdiction that may be applicable to the Shareholder. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of the Arrangement under the Tax Act and any jurisdiction in which they may be subject to tax.

Currency Conversion

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Common Shares or Hudbay Shares (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. For purposes of the Tax Act, amounts denominated in a foreign currency generally must be converted in Canadian dollars using the appropriate exchange rate determined in accordance with the detailed rules contained in the Tax Act in that regard.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). This portion of the summary is not applicable to a Shareholder: (a) that is a "financial institution" for purposes of the "mark-to-market property" rules in the Tax Act; (b) that is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is, or whose Common Shares or Hudbay Shares are, a "tax shelter investment" (as defined in the Tax Act); (d) that has made a "functional currency" reporting election under the Tax Act to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (e) that has or will enter into a "derivative forward agreement", "synthetic disposition arrangement", or "synthetic equity arrangement" (each as defined in the Tax Act) with respect to the Common Shares or the Hudbay Shares; (f) that receives dividends on the Common Shares or Hudbay Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act); (g) that is exempt from tax under Part I of the Tax Act; or (h) that has acquired Common Shares on the exercise of an employee stock option, a deferred share unit, a restricted share unit or the exercise of warrants. **Such Shareholders should consult their own tax advisors.**

Additional considerations, not discussed in this summary, may be applicable to a Shareholder that is a corporation resident in Canada, and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of Hudbay Shares, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. **Any such Shareholder should consult its own tax advisor.**

Certain Resident Holders whose Common Shares or Hudbay Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election, and in all subsequent taxation years, deemed to be capital property. Such Resident Holders should consult their own tax advisors regarding whether an election under subsection 39(4) of the Tax Act is available and advisable in their particular circumstances.

Exchange of Common Shares for Hudbay Shares

A Resident Holder that exchanges Common Shares for Hudbay Shares pursuant to the Arrangement will generally be deemed to have disposed of such Common Shares on a tax-deferred basis under section 85.1 of the Tax Act, unless such Resident Holder chooses to recognize a capital gain or capital loss, otherwise determined, in computing their income for the taxation year that includes the Arrangement.

Where a Resident Holder does not choose to recognize a capital gain (or a capital loss) in respect of the exchange of Common Shares for Hudbay Shares, such Resident Holder will be deemed to have disposed of the Common Shares for proceeds of disposition equal to the Resident Holder's adjusted cost base of those shares immediately before the Arrangement, and the Resident Holder will be deemed to have acquired Hudbay Shares at a cost equal to such adjusted cost base of the Common Shares. The cost of such Hudbay Shares will be averaged with the adjusted cost base of all Hudbay Shares (if any) held by the Resident Holder as capital property at that time for the purpose of determining the adjusted cost base of each Hudbay Share held by the Resident Holder.

If a Resident Holder chooses to recognize a capital gain (or a capital loss) on the exchange of Common Shares for Hudbay Shares by including any portion of the capital gain (or capital loss) in computing their income for the taxation year in which the Arrangement is completed, the Resident Holder will recognize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the Hudbay Shares received in exchange for the Common Shares (as determined at the time of the exchange), net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of the Common Shares immediately before the exchange. See "*Taxation of Capital Gains and Losses*" below for a general discussion of the treatment of capital gains and capital losses under the Tax Act. The cost of Hudbay Shares acquired on the exchange will be equal to the fair market value thereof in these circumstances. This cost will be averaged with the adjusted cost of all other Hudbay Shares (if any) held by the Resident Holder as capital property immediately before the exchange for the purpose of determining the adjusted cost base of each Hudbay Share held by the Resident Holder. **Resident Holders should consult their own tax advisors in this regard.**

Dividends on Hudbay Shares

Dividends received or deemed to be received on Hudbay Shares by a Resident Holder who is an individual (including certain trusts) will be included in computing the individual's income for tax purposes and will be subject to the gross-up and dividend tax credit rules applicable to a "taxable dividend" received from a "taxable Canadian corporation" (each as defined in the Tax Act), including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Hudbay as "eligible dividends" (as defined in the Tax Act) in accordance with the Tax Act. There may be limitations on the ability of Hudbay to designate dividends as "eligible dividends".

Dividends (including deemed dividends) received on Hudbay Shares by a Resident Holder that is a corporation will be included in computing the corporation's income for tax purposes and generally will be deductible in computing the corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

A Resident Holder that is a "private corporation" or "subject corporation", each as defined in the Tax Act, may be liable to pay tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received (or deemed to be received) on Hudbay Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

Disposition of Hudbay Shares

A Resident Holder that disposes of, or is deemed to dispose of, a Hudbay Share acquired under the Arrangement (other than in a tax-deferred transaction or a disposition to Hudbay that is not a sale in the open market in a manner in which shares are normally purchased by a member of the public in the open market) generally will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition of such Hudbay Share exceeds (or is less than) the aggregate of the Resident Holder's adjusted cost base of such Hudbay Share immediately prior to the disposition and any reasonable costs of disposition. See "*Taxation of Capital Gains and Losses*" below.

Taxation of Capital Gains and Losses

Generally, one-half of any capital gain (a "**taxable capital gain**"), realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a particular taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Holder in such years, to the extent and in the circumstances specified in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition (or deemed disposition) of a share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such share (or a share substituted for such share) to the extent and in the circumstances described in the Tax Act. Similar rules may apply where a share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own advisors.

Minimum Tax

A Resident Holder that is an individual or a trust (other than certain trusts) may be liable for alternative minimum tax as a result of realizing a capital gain or upon receipt of taxable dividends, including deemed dividends. Such Resident Holders should consult their own tax advisors in this regard.

Additional Refundable Tax

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout a taxation year or a "substantive CCPC" (as defined in the Tax Act) at any time in a taxation year may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains and dividends (including deemed dividends) that are not deductible in computing the Resident Holder's taxable income for the taxation year.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights in respect of the Arrangement (a "**Dissenting Resident Holder**") will be deemed to have transferred its Common Shares to the Company, and will be entitled to receive from the Company a payment equal to the fair value of the Dissenting Resident Holder's Common Shares. A Dissenting Resident Holder will be deemed to have received a dividend on its Common Shares equal to the amount, if any, by which the payment received for such Common Shares (less the amount in respect of interest, if any, awarded by a court) exceeds the paid-up capital of such Common Shares (as determined under the Tax Act) immediately prior to the disposition to the Company.

A Dissenting Resident Holder will also be considered to have disposed of such Dissenting Resident Holder's Common Shares for proceeds of disposition equal to the amount received by the Dissenting Resident Holder (excluding the amount of any interest awarded by a court) less the amount of any deemed dividend as described above. The Dissenting Resident Holder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Resident Holder's Common Shares immediately prior to the disposition to the Company.

Any deemed dividend received by a Dissenting Resident Holder and any capital gain or capital loss realized by a Dissenting Resident Holder, will be treated in the same manner as described under the subheadings "*Dividends on Hudbay Shares*" and "*Taxation of Capital Gains and Losses*" above.

Interest awarded by a court to a Dissenting Resident Holder will be included in the Dissenting Resident Holder's income for purposes of the Tax Act. A Dissenting Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout a taxation year or a "substantive CCPC" (as defined in the Tax Act) at any time in a taxation year may be liable to pay an additional tax on such interest as described above under the subheading "*Additional Refundable Tax*".

Resident Holders who are considering exercising Dissent Rights should consult their own tax advisors with respect to the income tax consequences of exercising their Dissent Rights.

Eligibility for Investment

The Hudbay Shares, if issued on the date hereof, would be at the time of acquisition a "qualified investment" under the Tax Act for a trust governed by a "registered retirement savings plan", "registered retirement income fund", "registered education savings plan", "registered disability savings plan", "first home savings account" and "tax-free savings account", as those terms are defined in the Tax Act (each a "**Registered Plan**") or a "deferred profit sharing plan" (as defined in the Tax Act), provided that at the time of acquisition the Hudbay Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the TSX and NYSE) or Hudbay is otherwise a "public corporation", other than a "mortgage investment corporation", each as defined in the Tax Act.

Notwithstanding that the Hudbay Shares may be qualified investments at a particular time, the holder of, annuitant under or subscriber of, as applicable, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of a Hudbay Share held in the Registered Plan if the share is a "prohibited investment" under the Tax Act. A Hudbay Share generally will not be a prohibited investment for the Registered Plan provided that the Controlling Individual: (i) deals at arm's length with Hudbay for purposes of the Tax Act and (ii) does not have a "significant interest" (as defined in the Tax Act for the purposes of the prohibited investment rules) in Hudbay. In addition, Hudbay Shares will not be a prohibited investment if they are "excluded property" (as defined in the Tax Act for the purposes of the prohibited investment rules) for a Registered Plan.

Resident Holders that intend to hold Hudbay Shares in a Registered Plan or a deferred profit sharing plan should consult their own tax advisors in regard to their particular circumstances.

Holders Not Resident in Canada

The following portion of this summary is generally applicable to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention and at all relevant times, is not resident or deemed to be resident in Canada and does not use or hold, and is not deemed to use or hold, Common Shares or Hudbay Shares in connection with carrying on business in Canada (a "**Non-Resident Holder**").

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on an insurance business in Canada and elsewhere, an "authorized foreign bank" (as defined in the Tax Act) or a "foreign affiliate" (as defined in the Tax Act) of a taxpayer resident in Canada. Such Non-Resident Holders should consult their own tax advisors.

Exchange of Common Shares for Hudbay Shares and Subsequent Disposition of Hudbay Shares

Non-Resident Holders will not be subject to tax under the Tax Act in respect of any capital gain, or be entitled to deduct any capital loss, realized on the exchange of Common Shares for Hudbay Shares or on the disposition or deemed disposition of its Hudbay Shares acquired pursuant to the Arrangement unless such shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Generally, as long as a Common Share or a Hudbay Share, as applicable, of the Non-Resident Holder is listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX and NYSE) at the time of disposition or deemed disposition, such share will not constitute taxable Canadian property of the Non-Resident Holder at that time unless, at any time during the 60- month period immediately preceding the disposition or deemed disposition of the share the following two conditions are met concurrently: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder does not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of shares in the capital stock of the issuer; and (b) more than 50% of the fair market value of the share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada,

"Canadian resource property" or "timber resource property" (each as defined in the Tax Act), and options in respect of, interests in, or, for civil law, rights in, any such property (whether or not such property exists).

Notwithstanding the foregoing, a share may also be deemed to be taxable Canadian property to a Non-Resident Holder in certain other circumstances under the Tax Act.

Even if a share is considered to be taxable Canadian property of a Non-Resident Holder at the time of disposition of the share, a capital gain realized on the disposition of the share may nevertheless be exempt from tax under the Tax Act pursuant to the terms of an applicable income tax treaty or convention, subject to the application of MLI of which Canada is a signatory and which affects many of Canada's bilateral tax treaties (but not the Canada-U.S. Tax Treaty), including the ability to claim benefits thereunder.

Generally, in the event that a share constitutes taxable Canadian property of a Non-Resident Holder at the time of disposition of the share and any capital gain realized by the Non-Resident Holder on the disposition of the share is not exempt from tax under the Tax Act by virtue of an applicable income tax treaty or convention, including as a result of the application of the MLI, the Non-Resident Holder's capital gain (or capital loss) in respect of such disposition generally will be computed in the manner described above under the headings "*Holders Resident in Canada – Exchange of Common Shares for Hudbay Shares*", "*Holders Resident in Canada – Disposition of Hudbay Shares*" and "*Holders Resident in Canada – Taxation of Capital Gains and Losses*" as though the Non-Resident Holder were a Resident Holder.

Non-Resident Holders whose shares may be taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

Dividends on Hudbay Shares

Dividends paid or credited, or deemed to be paid or credited, on a Non-Resident Holder's Hudbay Shares will be subject to withholding tax under the Tax Act at a rate of 25% on the gross amount of such dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention (subject to the MLI). For example, under the Canada-U.S. Tax Treaty, the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is a resident in the U.S. for the purposes of the Canada-U.S. Tax Treaty, is the beneficial owner of the dividends, and is fully entitled to benefits under the Canada-U.S. Tax Treaty ("**U.S. Resident Holder**") is generally limited to 15% of the gross amount of the dividend. The rate of withholding tax is further reduced to 5% in the case of a U.S. Resident Holder that is a company that beneficially owns, directly or indirectly, at least 10% of the voting stock of Hudbay.

Non-Resident Holders should consult their own tax advisors to determine their entitlement to benefits under any applicable income tax treaty or convention based on their particular circumstances.

Dissenting Non-Resident Holders

A Non-Resident Holder who validly exercises Dissent Rights in respect of the Arrangement (a "**Dissenting Non-Resident Holder**") will be deemed to have transferred its Common Shares to the Company, and will be entitled to receive from the Company a payment equal to the fair value of the Dissenting Non-Resident Holder's Common Shares. A Dissenting Non-Resident Holder will be deemed to have received a dividend on its Common Shares equal to the amount, if any, by which the payment received for such Common Shares (less the amount in respect of interest, if any, awarded by a court) exceeds the paid-up capital of such Common Shares (as determined under the Tax Act).

Any deemed dividend received by a Dissenting Non-Resident Holder will be subject to Canadian withholding tax as generally described above under the subheading "*Dividends on Hudbay Shares*".

A Dissenting Non-Resident Holder will also be considered to have disposed of such Dissenting Non-Resident Holder's Common Shares for proceeds of disposition equal to the amount received by such Dissenting Non-Resident Holder (excluding the amount of any interest awarded by a court) less the amount of any deemed dividend described above. A Dissenting Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition unless such Common Shares are, or are deemed to be, taxable Canadian property of the Dissenting Non-Resident Holder at the time of disposition and the Dissenting Non-Resident Holder is not entitled to relief under an applicable income tax treaty or

convention, including as a result of the application of the MLI. The same general considerations apply as discussed above under the subheading "*Exchange of Common Shares for Hudbay Shares and Subsequent Disposition of Hudbay Shares*" in determining whether a capital gain will be subject to tax under the Tax Act.

An amount paid or credited in respect of interest awarded by a court to a Dissenting Non-Resident Holder should not be subject to withholding tax under the Tax Act provided that such interest is not "participating debt interest" (as defined in the Tax Act).

Non-Resident Holders who are considering exercising Dissent Rights should consult their own tax advisors with respect to the income tax consequences of exercising their Dissent Rights.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain U.S. federal income tax considerations under the U.S. Tax Code, generally applicable to certain U.S. Holders relating to the Arrangement, the receipt of the Consideration pursuant to the Arrangement, and the ownership and disposition of the Hudbay Shares by such U.S. Holders (as defined below) following the Arrangement. This discussion is based upon the provisions of the U.S. Tax Code, existing final and temporary U.S. Treasury Regulations, the Canada-U.S. Tax Treaty, and current administrative rulings and court decisions in effect on the date hereof, all of which are subject to change, possibly with retroactive effect, and to differing interpretations. Changes in these authorities may cause the U.S. federal income tax consequences to vary substantially from those described below.

This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state or local, U.S. federal net investment income or non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership and disposition of Hudbay Shares received pursuant to the Arrangement. This summary does not address the U.S. federal income tax consequences of transactions effected prior to or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement), and does not address any vesting, conversion, assumption, disposition, exercise, exchange, or other transaction involving Options, DSUs, RSUs or any rights to acquire Common Shares. In addition, except as specifically set forth below, this summary does not discuss applicable tax reporting requirements.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or is expected to be obtained, regarding the U.S. federal income tax consequences described herein. This discussion is not binding on the IRS or any court, and there can be no assurance that the IRS will not take a contrary position or that such a position would not be sustained by a court. This discussion also assumes that the Arrangement is carried out as described in this Circular and that the Arrangement is not integrated with any other transaction for U.S. federal income tax purposes.

This discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Common Shares (or, after the Arrangement, Hudbay Shares) and no opinion or representation with respect to the U.S. federal income tax consequences to any such holder is made. This summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. This discussion applies only to U.S. Holders that own Common Shares and will own Hudbay Shares as "capital assets" within the meaning of Section 1221 of the U.S. Tax Code (generally, property held for investment), and does not discuss all of the U.S. federal income tax considerations that may be relevant to specific U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment under U.S. federal income tax law, including without limitation:

- banks, trusts, mutual funds and other financial institutions;
- regulated investment companies or real estate investment trusts;
- traders in securities that elect to apply a mark-to-market method of accounting;
- brokers, dealers or traders in securities, currencies or commodities;
- tax-exempt organizations, tax-qualified retirement accounts, or pension funds;

- insurance companies;
- dealers or brokers in securities or foreign currency;
- individual retirement and other tax-deferred accounts;
- U.S. Holders whose functional currency is not the U.S. dollar;
- U.S. expatriates or former long-term residents of the United States;
- persons subject to taxing jurisdictions other than, or in addition to, the United States;
- persons subject to special tax accounting rules;
- U.S. Holders that own, directly, indirectly or constructively, five percent (5%) or more of the total voting power or total value of all of the outstanding stock of the Company or Hudbay, as applicable;
- persons liable for the alternative minimum tax;
- holders that hold their shares as part of a straddle, hedging, conversion, constructive sale or other risk reduction transaction;
- holders other than U.S. Holders;
- holders that are subject to the wash sale rules under Section 1091 of the U.S. Tax Code with respect to their Common Shares;
- passive foreign investment companies or controlled foreign corporations;
- partnerships or other pass-through entities (and partners or other owners thereof);
- S corporations (and shareholders thereof);
- corporations that accumulate earnings to avoid U.S. federal income tax;
- U.S. Holders that hold their Common Shares (or after the Arrangement, Hudbay Shares) in connection with a trade or business, permanent establishment, or fixed base outside the U.S.;
- U.S. Holders that acquired their Common Shares through gift or inheritance; and
- holders, such as holders of Options, DSUs, or RSUs, who received their Common Shares through the exercise or cancellation of employee stock options or otherwise as compensation for services or through a tax-qualified retirement plan.

U.S. Holders that are subject to special provisions under the U.S. Tax Code, including U.S. Holders described immediately above, are urged to consult their own tax advisors regarding the U.S. federal, state and local, and non-U.S. tax consequences relating to the Arrangement, the receipt of the Consideration pursuant to the Arrangement, and the ownership and disposition of the Hudbay Shares by such U.S. Holders following the Arrangement.

U.S. Holders are urged to also review the separate discussion concerning Canadian federal income tax consequences. See "*Certain Canadian Federal Income Tax Considerations*" in this Circular.

For purposes of this discussion, a "U.S. Holder" means a beneficial owner of Common Shares at the time of the Arrangement and, to the extent applicable, Hudbay Shares following the Arrangement, that is:

- an individual who is a citizen or resident of the United States, as determined for U.S. federal income tax purposes;

- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any state thereof or the District of Columbia;

- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

- a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (b) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, including for this purpose any entity or arrangement that is treated as a partnership or other "pass-through" entity for U.S. federal income tax purposes, holds Common Shares at the time of the Arrangement or, to the extent applicable, Hudbay Shares following the Arrangement, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. A shareholder that is a partnership and a partner (or other owner) in such partnership is urged to consult its own tax advisors about the U.S. federal income tax consequences of the Arrangement.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL UNITED STATES TAX CONSEQUENCES RELATING TO THE ARRANGEMENT AND HOLDING AND DISPOSING OF HUDBAY SHARES RECEIVED PURSUANT TO THE ARRANGEMENT. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL INCOME AND OTHER TAX CONSIDERATIONS RELATING TO THE ARRANGEMENT IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS.

U.S. Federal Income Tax Consequences of the Arrangement and the Receipt of the Consideration Pursuant to the Arrangement

It is intended that, for U.S. federal income tax purposes, the Arrangement qualify as a "reorganization" within the meaning of Section 368(a) of the U.S. Tax Code. However, no opinion of counsel has been obtained, and neither Hudbay nor the Company intends to seek a ruling from the IRS regarding the characterization of the Arrangement for U.S. federal income tax purposes. Therefore, there can be no assurance that the IRS will not disagree with or challenge the intended characterization of the Arrangement for U.S. federal income tax purposes.

Tax Consequences if the Arrangement Qualifies as a Reorganization

If the Arrangement qualifies as a "reorganization" within the meaning of Section 368(a) of the U.S. Tax Code, and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences will result for U.S. Holders who do not exercise Dissent Rights:

- a U.S. Holder should not recognize gain or loss on the exchange of Common Shares for Hudbay Shares pursuant to the Arrangement;

- the aggregate tax basis of Hudbay Shares acquired by a U.S. Holder pursuant to the Arrangement should be equal to such U.S. Holder's aggregate tax basis in the Common Shares surrendered in exchange therefor; and

- the holding period of a U.S. Holder for Hudbay Shares acquired pursuant to the Arrangement should include such U.S. Holder's holding period for Common Shares surrendered in exchange therefor.

If a U.S. Holder holds different blocks of Common Shares (generally as a result of having acquired different blocks of shares at different times or at different costs), such U.S. Holder's tax basis and holding period in its Hudbay Shares may be determined with reference to each block of Common Shares surrendered in exchange therefor. Any such holder is urged to

consult its own tax advisors with regard to identifying the bases or holding periods of the particular Hudbay Shares received in the Arrangement.

In general, if the Arrangement does not qualify as a "reorganization", and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences will result for U.S. Holders who do not exercise Dissent Rights:

- a U.S. Holder will recognize taxable gain or loss on the exchange of Common Shares for Hudbay Shares pursuant to the Arrangement in an amount equal to the difference, if any, between (a) the fair market value of the Hudbay Shares received in exchange for the Common Shares and (b) the adjusted tax basis of such U.S. Holder in the Common Shares surrendered in exchange therefor;

- the aggregate tax basis of a U.S. Holder in the Hudbay Shares acquired pursuant to the Arrangement will be equal to the fair market value of such Hudbay Shares on the date of receipt; and

- the holding period of a U.S. Holder for the Hudbay Shares acquired pursuant to the Arrangement will begin on the day after the date of receipt.

Subject to the PFIC rules discussed below, any gain or loss described in the first bullet point immediately above would be capital gain or loss, which would be long-term capital gain or loss if such Common Shares are held for more than one year on the date of the exchange. For these purposes, U.S. Holders must calculate gain or loss separately for each identified block of Common Shares (that is, the Common Shares acquired at the same cost in a single transaction) surrendered in exchange for Hudbay Shares pursuant to the Arrangement. Certain non-corporate U.S. Holders are entitled to preferential tax rates with respect to net long-term capital gains. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code. Any capital gain or loss recognized by a U.S. Holder will generally be treated as "U.S. source" gain or loss for U.S. foreign tax credit purposes.

Passive Foreign Investment Company Considerations for the Arrangement

Gain on the disposition of stock in a corporation treated as a "passive foreign investment company" under Section 1297 of the U.S. Tax Code (a "**PFIC**") with respect to a U.S. Holder is subject to special adverse U.S. federal income tax rules unless such U.S. Holder has timely made certain elections, as discussed more fully below (together with the rules governing the determination of whether a non-U.S. corporation qualifies as a PFIC with respect to a U.S. Holder) under "*Certain United States Federal Income Tax Considerations — U.S. Federal Income Tax Consequences of the Ownership and Disposition of Hudbay Shares — Consequences of PFIC Status with Respect to Hudbay Shares*". The Company believes that it was classified as a PFIC in prior tax years and based on current business plans and financial expectations, the Company expects that it may be a PFIC for the current tax year which includes the Effective Date. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of the Company during the current tax year which includes the Effective Date or any prior tax year.

Section 1291(f) of the U.S. Tax Code provides that, to the extent provided in U.S. Treasury Regulations and absent application of the "PFIC-for-PFIC Exception" discussed below, any gain on the transfer of stock in a PFIC shall be recognized notwithstanding any other provision of the U.S. Tax Code. No final U.S. Treasury Regulations are currently in effect under Section 1291(f) of the U.S. Tax Code. However, proposed U.S. Treasury Regulations under Section 1291(f) of the U.S. Tax Code have been promulgated with a retroactive effective date. If such proposed U.S. Treasury Regulations are finalized in their current form or if the IRS successfully asserts that Section 1291(f) of the U.S. Tax Code is self-executing notwithstanding the absence of final or temporary U.S. Treasury Regulations, then if the Company is treated as a PFIC with respect to a U.S. Holder, a U.S. Holder of Common Shares may recognize gain in connection with the Arrangement if: (i) such U.S. Holder did not make a timely QEF Election or Mark-to-Market Election (each as discussed below under "*Certain United States Federal Income Tax Considerations — U.S. Federal Income Tax Consequences of the Ownership and Disposition of Hudbay Shares — Consequences of PFIC Status with Respect to Hudbay Shares*") for the Company's first taxable year as a PFIC in which such U.S. Holder held (or was deemed to hold) Common Shares, or a QEF Election along with an applicable purging election, and (ii) Hudbay is not a PFIC in the taxable year that includes the day after the Effective

Date. As discussed further below, Hudbay believes that it was not a PFIC for its most recently completed tax year and, based on current business plans and financial expectations, Hudbay expects that it should not be a PFIC for its current tax year.

Under these rules,

(a) the Arrangement would be treated as a taxable exchange in which gain (but not loss) would be recognized by a U.S. Holder even if such transaction qualifies as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code;

(b) any gain on the exchange of Common Shares would be allocated rateably over such U.S. Holder's holding period;

(c) the amount allocated to the current tax year and any year prior to the first year in which the Company was classified as a PFIC would be taxed as ordinary income in the current year;

(d) the amount allocated to each of the other tax years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and

(e) an interest charge for a deemed deferral benefit would be imposed with respect to the resulting tax attributable to each of the other tax years referred to in (d) above, which interest charge would generally not be deductible by non-corporate U.S. Holders.

A U.S. Holder that has made a mark-to-market election under Section 1296 of the U.S. Tax Code (a "**Mark-to-Market Election**") or a timely and effective election to treat the Company as a "qualified electing fund" (a "**QEF**" and such an election, a "**QEF Election**") under Section 1295 of the U.S. Tax Code may mitigate or avoid the PFIC consequences described above with respect to the Arrangement. A QEF Election will be treated as "timely" for purposes of avoiding the default PFIC rules discussed above only if it is made for the first year in the U.S. Holder's holding period for the Common Shares in which the Company is a PFIC. Each U.S. Holder is urged to consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election. A shareholder of PFIC stock who has not made a timely Mark-to-Market Election or QEF Election is referred to in this section of the summary as a "Non-Electing Shareholder".

Under the proposed PFIC regulations, a Non-Electing Shareholder does not recognize gain in a reorganization where the Non-Electing Shareholder transfers stock in a PFIC so long as such Non-Electing Shareholder receives in exchange stock of another corporation that is a PFIC for its taxable year that includes the day after the date of transfer. For purposes of this summary, this exception will be referred to as the "PFIC-for-PFIC Exception". However, a Non-Electing Shareholder generally does recognize gain (but not loss) in a reorganization where the Non-Electing Shareholder transfers stock in a PFIC and receives in exchange stock of another corporation that is not a PFIC for its taxable year that includes the day after the date of transfer.

While the Company believes that it was classified as a PFIC in prior tax years and, based on current business plans and financial expectations, expects that it may be a PFIC for its current tax year which includes the Effective Date, Hudbay, on the other hand, expects that it should not be a PFIC for its current tax year which includes the Effective Date or for the foreseeable future. Consequently, if the proposed PFIC regulations were finalized and made applicable to the Arrangement (even if this occurs after the Effective Date), it is not expected that the PFIC-for-PFIC Exception will apply to the Arrangement, and therefore, under the foregoing rules contained in the proposed PFIC regulations, a Non-Electing Shareholder will recognize gain (but not loss) on the Arrangement under the rules applicable to excess distributions and dispositions of PFIC stock set forth in Section 1291 of the U.S. Tax Code, regardless of whether the Arrangement qualifies as a reorganization. Under the rules applicable to excess distributions and dispositions of PFIC stock set forth in Section 1291 of the U.S. Tax Code, the amount of any such gain recognized by a Non-Electing Shareholder in connection with the Arrangement would be equal to the excess, if any, of (a) the fair market value (expressed in U.S. dollars) of the Hudbay Shares received in the Arrangement, over (b) the adjusted tax basis (expressed in U.S. dollars) of such Non-Electing Shareholder in the Common Shares exchanged pursuant to the Arrangement. Such gain would be recognized on a share-by-share basis and would be taxable as if it were an excess distribution under the default PFIC rules, as described above.

If the PFIC-for-PFIC Exception were to apply to the Arrangement and gain is not recognized under the proposed PFIC regulations, a U.S. Holder's holding period for the Hudbay Shares for purposes of applying the PFIC rules presumably would

include the period during which the U.S. Holder held its Common Shares. Consequently, a subsequent disposition of the Hudbay Shares in a taxable transaction presumably would be taxable under the default PFIC rules described above.

U.S. Holders are urged to consult their own tax advisor regarding the potential application of the PFIC rules to the receipt of Hudbay Shares pursuant to the Arrangement, and the information reporting responsibilities under the proposed PFIC regulations in connection with the Arrangement.

In addition, the proposed PFIC regulations discussed above were proposed in 1992 and have not been adopted in final form. The proposed PFIC regulations state that they are to be effective for transactions occurring on or after April 11, 1992. However, because the proposed PFIC regulations have not yet been adopted in final form, they are not currently effective and there is no assurance they will be finally adopted in the form and with the effective date proposed. Further, it is uncertain whether the IRS would consider the proposed PFIC regulations to be effective for purposes of determining the U.S. federal income tax treatment of the Arrangement.

U.S. Holders are urged to consult their own tax advisors regarding whether the proposed PFIC regulations under Section 1291(f) of the U.S. Tax Code would apply if the Arrangement qualifies as a reorganization.

U.S. Holders are urged to consult their own tax advisors regarding whether the proposed PFIC regulations under Section 1291(f) of the U.S. Tax Code would apply if the Arrangement qualifies as a reorganization. Additional information regarding the PFIC rules is discussed under "*Consequences of PFIC Status with Respect to Hudbay Shares"* below.

Payments Related to Dissent Rights

For U.S. federal income tax purposes, a U.S. Holder that receives a payment for its Common Shares pursuant to the exercise of Dissent Rights will generally recognize gain or loss equal to the difference, if any, between (a) the cash received; and (b) such U.S. Holder's adjusted tax basis in the Common Shares surrendered in exchange therefor. Subject to the PFIC rules discussed above, which would apply if Company were treated as a PFIC with respect to such U.S. Holder, such recognized gain or loss would generally constitute capital gain or loss and would constitute long-term capital gain or loss if the U.S. Holder's holding period for the Dissent Shares exchanged is greater than one year as of the date of the exchange. Certain non-corporate U.S. Holders are entitled to preferential tax rates with respect to net long-term capital gains. The ability of a U.S. Holder to offset capital losses against ordinary income is limited. The deductibility of capital losses is subject to limitations under the U.S. Tax Code. However, the Company may be, or may have been, classified as a PFIC and gain recognized on the disposition of stock in a corporation treated as a PFIC with respect to a U.S. Holder is subject to special adverse U.S. federal income tax rules, discussed more fully above under "Passive Foreign Investment Company Considerations for the Arrangement", unless such holder has timely made certain elections as described above.

Specified Foreign Financial Assets Reporting

Certain U.S. Holders that hold "specified foreign financial assets" are generally required to attach to their annual returns a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with respect to such assets (and can be subject to substantial penalties for failure to file). The definition of specified foreign financial asset includes not only financial accounts maintained in foreign financial institutions, but also, if held for investment and not held in an account maintained by a financial institution, securities of non-U.S. issuers (subject to certain exceptions, including an exception for securities of non-U.S. issuers held in accounts maintained by domestic financial institutions). U.S. Holders are urged to consult their own tax advisors regarding the possible reporting requirements with respect to their investments in Common Shares and the penalties for non-compliance.

U.S. Federal Income Tax Consequences of the Ownership and Disposition of Hudbay Shares

Distributions with Respect to Hudbay Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Hudbay Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any non-U.S. income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of Hudbay, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and

profits" of Hudbay, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Hudbay Shares and thereafter as gain from the sale or exchange of such Hudbay Shares (see "*Sale or Other Taxable Disposition of Hudbay Shares*" below). However, Hudbay may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should expect that a distribution by Hudbay with respect to Hudbay Shares will be treated as a dividend for U.S. federal income tax purposes. Dividends received on Hudbay Shares by certain corporate U.S. Holders may be eligible for the "dividends received deduction" subject to various conditions and limitations, including holding period and minimum ownership threshold requirements. Dividends received on Hudbay Shares will not be eligible for the "dividends received deduction" allowed to corporate U.S. Holders in respect of dividends received from U.S. domestic corporations. Subject to applicable limitations and provided Hudbay is eligible for the benefits of the Canada-U.S. Tax Treaty or the Hudbay Shares are readily tradable on a United States securities market, dividends paid by Hudbay to non-corporate U.S. Holders generally should be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that Hudbay not be classified as a PFIC in the tax year of the distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder is urged to consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Hudbay Shares

A U.S. Holder will generally recognize gain or loss on the sale or other taxable disposition of Hudbay Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's adjusted tax basis in such Hudbay Shares surrendered in the sale or other disposition. Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if, at the time of the sale or other disposition, such Hudbay Shares are held for more than one year. Certain non-corporate U.S. Holders are entitled to preferential tax rates with respect to net long-term capital gains. Deductions for capital losses are subject to significant limitations under the U.S. Tax Code.

Consequences of PFIC Status with Respect to Hudbay Shares

If Hudbay were to constitute a PFIC for any year during a U.S. Holder's holding period, then certain generally adverse rules would affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of Hudbay Shares. Hudbay believes that it was not a PFIC for its most recently completed tax year and, based on current business plans and financial expectations, Hudbay expects that it should not be a PFIC for its current tax year. No opinion of legal counsel or ruling from the IRS concerning the status of Hudbay as a PFIC has been obtained or is currently planned to be requested. PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question, and is determined annually. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurance that Hudbay has never been, is not, and will not become a PFIC for any tax year during which a U.S. Holder holds Hudbay Shares.

In addition, in any year in which Hudbay is classified as a PFIC, U.S. Holders will be required to file an annual report with the IRS containing such information as U.S. Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders are urged to consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621 annually.

A non-U.S. corporation will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the non-U.S. corporation for such tax year is passive income (the "income test") or (b) 50% or more of the value of a non-U.S. corporation's assets either produce passive income or are held for the production of passive income (the "asset test"), based on the quarterly average of the fair market value of such assets. "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Passive income generally excludes active business gains arising from the sale of commodities, if substantially all of a non-U.S. corporation's commodities are stock in trade or inventory, real and depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business, and certain other requirements are met. Generally, cash is treated as a passive asset for this purpose. In addition, for purposes of the PFIC income test and asset test described above, if a non-U.S. corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares

of another corporation, the non-U.S. corporation will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Under certain attribution rules, if Hudbay is a PFIC, U.S. Holders will be deemed to own their proportionate share of any subsidiary of Hudbay which is also a PFIC (a "**Subsidiary PFIC**"), and will be subject to U.S. federal income tax on (i) a distribution on the shares of a Subsidiary PFIC or (ii) a disposition of shares of a Subsidiary PFIC, both as if the holder directly held the shares of such Subsidiary PFIC.

If Hudbay were a PFIC in any tax year and a U.S. Holder held Hudbay Shares, such holder generally would be subject to special rules under Section 1291 of the U.S. Tax Code with respect to "excess distributions" made by Hudbay on the Hudbay Shares and with respect to gain from the disposition of Hudbay Shares. An "excess distribution" generally is defined as the excess of distributions with respect to the Hudbay Shares received by a U.S. Holder in any tax year over 125% of the average annual distributions such U.S. Holder has received from Hudbay during the shorter of the three preceding tax years, or such U.S. Holder's holding period for the Hudbay Shares, as applicable. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of the Hudbay Shares rateably over its holding period for the Hudbay Shares. Such amounts allocated to the year of the disposition or excess distribution would be taxed as ordinary income, and amounts allocated to prior tax years would be taxed as ordinary income at the highest tax rate in effect for each such year and an interest charge at a rate applicable to underpayments of tax would apply.

U.S. Holders should be aware that, for each tax year, if any, that Hudbay is a PFIC, Hudbay can provide no assurances that it will satisfy the record keeping requirements of a PFIC, or that it will make available to U.S. Holders the information such U.S. Holders require to make a QEF Election under Section 1295 of the U.S. Tax Code with respect to Hudbay or any Subsidiary PFIC.

Alternatively, a U.S. Holder may make an election to mark marketable shares in a PFIC to market on an annual basis. PFIC shares generally are marketable if: (i) they are "regularly traded" on a national securities exchange that is registered with the SEC or on the national market system established under Section 11A of the U.S. Exchange Act; or (ii) they are "regularly traded" on any exchange or market that the U.S. Treasury Department determines to have rules sufficient to ensure that the market price accurately represents the fair market value of the stock. It is expected that the Hudbay Shares, which are expected to be listed on the TSX and the NYSE, will qualify as marketable shares for purposes of the PFIC rules, but there can be no assurance that Hudbay Shares will be "regularly traded" for purposes of these rules. Pursuant to such a Mark-to-Market Election, a U.S. Holder would include in each year as ordinary income the excess, if any, of the fair market value of such stock over its adjusted basis at the end of the taxable year. A U.S. Holder may treat as ordinary loss any excess of the adjusted basis of the stock over its fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the Mark-to-Market Election in prior years. A U.S. Holder's adjusted tax basis in the PFIC shares will be increased to reflect any amounts included in income, and decreased to reflect any amounts deducted, as a result of a Mark-to-Market Election. Any gain recognized on a disposition of Hudbay Shares will be treated as ordinary income and any loss will be treated as ordinary loss (but only to the extent of the net amount of income previously included as a result of a Mark-to-Market Election). A Mark-to-Market Election applies for the taxable year in which the election was made and for each subsequent taxable year unless the PFIC shares ceased to be marketable or the IRS consents to the revocation of the election. U.S. Holders should also be aware that the U.S. Tax Code and the U.S. Treasury Regulations do not allow a Mark-to-Market Election with respect to stock of a Subsidiary PFIC that does not constitute marketable stock.

Certain additional adverse rules may apply with respect to a U.S. Holder if Hudbay is a PFIC, regardless of whether the U.S. Holder makes a QEF Election or Mark-to-Market Election. These rules include special rules that apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. U.S. Holders are urged to consult their own tax advisors regarding the potential application of the PFIC rules to the ownership and disposition of Hudbay Shares, and the availability of certain U.S. tax elections under the PFIC rules.

Foreign Tax Credits

Dividends paid on the Hudbay Shares, if any, will generally be treated as foreign-source income that is treated as "passive category income" or "general category income" for U.S. foreign tax credit purposes. However, if Hudbay is a "United States-owned foreign corporation" (generally, a foreign corporation 50% or more of the stock of which, by vote or value, is held directly, indirectly or under applicable constructive ownership rules, by United States persons), at least a portion of the dividends paid with respect to Hudbay Shares may be U.S. source income for foreign tax credit purposes if and to the extent

that more than a de minimis amount of the earnings and profits out of which the dividends are paid is from sources within the United States (the "**U.S.-Owned Foreign Corporation Rules**"). Hudbay believes that it may be treated as a United States-owned foreign corporation. As a result, if 10% or more of Hudbay's earnings and profits are attributable to sources within the United States, a portion of the dividends paid on Hudbay Shares allocable to U.S. source earnings and profits may be treated as U.S. source for purposes of the foreign tax credit. In such event, subject to relief under an applicable income tax treaty, a U.S. Holder may not be able to offset foreign withholding taxes withheld as a credit against U.S. federal income tax imposed on that portion of dividends. However, Hudbay cannot provide any assurances that it will not be characterized as a United States-owned foreign corporation. The rules relating to the determination of foreign source income and the foreign tax credit are complex, and availability of a foreign tax credit depends on numerous factors. Each U.S. Holder should consult its own tax advisor to determine whether its income from dividends with respect to Hudbay Shares would be foreign source income and whether and to what extent it would be entitled to the foreign tax credit.

Any gain or loss recognized on a sale or other disposition of the Common Shares pursuant to the Arrangement or on the sale or other taxable disposition of the Hudbay Shares received pursuant to the Arrangement generally will be United States source gain or loss. Certain U.S. Holders that are eligible for the benefits of the Canada-U.S. Tax Treaty may elect to treat such gain or loss as Canadian source gain or loss for U.S. foreign tax credit purposes. The U.S. Tax Code applies various complex limitations on the amount of foreign taxes that may be claimed as a credit by U.S. taxpayers. In addition, final U.S. Treasury Regulations (the application of which has been postponed until further guidance is issued) (the "**Foreign Tax Credit Regulations**") impose additional requirements for Canadian withholding taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied.

Subject to the PFIC rules, the Foreign Tax Credit Regulations and the U.S.-Owned Foreign Corporation Rules, each as discussed above, a U.S. Holder that pays, whether directly or through withholding, Canadian income tax, with respect to any dividends paid on the Hudbay Shares or in connection with a sale, redemption or other taxable disposition of Common Shares pursuant to the Arrangement (or after the Arrangement, Hudbay Shares) generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income that is subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, each U.S. Holder is urged to consult its own U.S. tax advisor regarding the foreign tax credit rules.

Receipt of Foreign Currency

Distributions or proceeds paid in Canadian dollars to a U.S. Holder in connection with the ownership of Common Shares or Hudbay Shares, or on the sale, exchange or other taxable disposition of Common Shares or Hudbay Shares, or any Canadian dollars received in connection with the Arrangement (including, but not limited to, the exercise of Dissent Rights under the Arrangement), will be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of the distribution or proceeds, regardless of whether the Canadian dollars are converted into U.S. dollars at that time. A U.S. Holder will have a basis in the Canadian dollars equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder is urged to consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars.

Backup Withholding and Information Reporting

A U.S. Holder of Common Shares who exercises Dissent Rights in the Arrangement may be subject to information reporting to the IRS and to U.S. backup withholding on any cash payments made in connection with the Arrangement. The proceeds of a sale or deemed sale by a U.S. Holder of Common Shares or Hudbay Shares, or distributions thereon, may also be subject to information reporting to the IRS and to U.S. backup withholding. Backup withholding will not apply, however, to a U.S. Holder that furnishes a correct taxpayer identification number and makes other required certifications, or that is otherwise exempt from backup withholding and establishes such exempt status.

Backup withholding is not an additional tax. Amounts withheld may be credited against a U.S. Holder's U.S. federal income tax liability, and a U.S. Holder generally may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

THIS DISCUSSION IS GENERAL IN NATURE AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR SHAREHOLDER IN LIGHT OF THE SHAREHOLDER'S PARTICULAR CIRCUMSTANCES, OR TO CERTAIN TYPES OF SHAREHOLDERS SUBJECT TO SPECIAL TREATMENT UNDER U.S. FEDERAL INCOME TAX LAWS. YOU ARE URGED TO CONSULT WITH YOUR OWN TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE ARRANGEMENT AND THE HOLDING AND DISPOSING OF HUDBAY SHARES RECEIVED PURSUANT TO THE ARRANGEMENT, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND NON-U.S. TAX LAWS.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Circular, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Company Meeting. See "*The Arrangement – Interests of Certain Persons in the Arrangement*" above.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, to the knowledge of the Company, no informed person (as defined herein) of the Company, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its Subsidiaries.

For the purposes of this Circular, an "**informed person**" means:

(a) a director or executive officer of the Company;

(b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

(c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and

(d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

AUDITORS

Ernst & Young LLP has served as auditors to the Company since November 29, 2024. Ernst & Young LLP has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation and regulations.

OTHER MATTERS

Management of the Company knows of no other matters to come before the Company Meeting other than those referred to in the Notice of Special Meeting. Should any other matters properly come before the Company Meeting, the Securities

represented by the form of proxy or VIF solicited hereby will be voted on such matters in accordance with the discretionary authority of the persons voting by proxy.

APPROVAL OF THE BOARD OF DIRECTORS

The contents and the sending of the Notice of Special Meeting and this Circular have been approved by the Board.

DATED at Toronto, Ontario, this 7th day of April, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "David Laing"

David Laing
Chairman

CONSENTS

Consent of Origin Merchant Partners

To: The Board of Directors of Arizona Sonoran Copper Company Inc.

We refer to the full text of the written fairness opinion dated March 1, 2026 (the "**Independent Fairness Opinion**"), which we prepared solely for the benefit and use of the board of directors of Arizona Sonoran Copper Company Inc. (the "**Company**") in connection with the plan of arrangement involving, among others, the Company, its securityholders and Hudbay Minerals Inc. (as described in the Company's management information circular dated April 7, 2026 (the "**Circular**")).

We hereby consent to the inclusion of the full text of the Independent Fairness Opinion as "*Appendix D – Independent Fairness Opinion*" attached to the Circular, and to inclusion of the summary thereof, and the references to our firm name and the Independent Fairness Opinion, in the Circular and to the filing of the Independent Fairness Opinion, as part of the Circular, by the Company, as necessary, with the applicable securities commissions, stock exchanges and other similar regulatory authorities in Canada.

The Independent Fairness Opinion was given as of March 1, 2026 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, Origin Merchant Partners does not intend that any person other than the board of directors of the Company shall be entitled to, may or will rely on the Independent Fairness Opinion.

DATED as of April 7, 2026

(signed) "Origin Merchant Partners"

Consent of Scotia Capital Inc.

To: The Board of Directors of Arizona Sonoran Copper Company Inc.

We refer to the full text of the written fairness opinion dated March 1, 2026 (the "**Financial Advisor Fairness Opinion**") which we prepared solely for the benefit and use of the board of directors of Arizona Sonoran Copper Company Inc. (the "**Company**") in connection with the plan of arrangement involving, among others, the Company, its securityholders and Hudbay Minerals Inc. (as described in the Company's management information circular dated April 7, 2026 (the "**Circular**")).

We hereby consent to the inclusion of the full text of the Fairness Opinion as "*Appendix E – Financial Advisor Fairness Opinion*" attached to the Circular, and to inclusion of the summary thereof, and the references to our firm name and the Financial Advisor Fairness Opinion, in the Circular and to the filing of the Financial Advisor Fairness Opinion, as part of the Circular, by the Company, as necessary, with the applicable securities commissions, stock exchanges and other similar regulatory authorities in Canada.

The Financial Advisor Fairness Opinion was given as of March 1, 2026 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, Scotia Capital Inc. does not intend that any person other than the board of directors of the Company shall be entitled to, may or will rely on the Financial Advisor Fairness Opinion.

DATED as of April 7, 2026

(signed) "Scotia Capital Inc."

APPENDIX "A"
ARRANGEMENT RESOLUTION

RESOLUTION OF THE SECURITYHOLDERS
OF ARIZONA SONORAN COPPER COMPANY INC.
(the "Company")

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

(a) The arrangement (the "**Arrangement**") under section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), involving Hudbay Minerals Inc. ("**Hudbay**") and Arizona Sonoran Copper Company Inc. (the "**Company**") and securityholders of the Company, all as more particularly described and set forth in the management information circular (the "**Circular**") of the Company dated April 7, 2026 accompanying the notice of this meeting (as the Arrangement may be modified, supplemented or amended in accordance with its terms), is hereby authorized, approved and adopted;

(b) The plan of arrangement, as it may be amended in accordance with its terms (the "**Plan of Arrangement**"), involving Hudbay, the Company and securityholders of the Company and implementing the Arrangement, the full text of which is set out in Appendix B to the Circular (as the Plan of Arrangement may be, or may have been, modified, supplemented or amended in accordance with its terms), is hereby approved and adopted;

(c) The arrangement agreement among Hudbay and the Company, dated as of March 1, 2026, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (the "**Arrangement Agreement**") and all the transactions contemplated therein, the actions of the directors of the Company in approving the Arrangement and the actions of the officers of the Company in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto in accordance with its terms are hereby confirmed, ratified and approved in all respects;

(d) The Company is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the "**Court**") to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, modified, supplemented or amended from time to time in accordance with their terms);

(e) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the shareholders of the Company and the holders of options, restricted share units and deferred share units (collectively, the "**Securityholders**") or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to, or approval of, the Securityholders:

  (i) to modify, supplement or amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or

  (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement;

(f) Any one or more directors or officers of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or not, all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

(i) all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

(ii) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by the Company;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX "B"
PLAN OF ARRANGEMENT

See attached.

PLAN OF ARRANGEMENT
UNDER SECTION 288 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires:

"**Arrangement**" means the arrangement of the Company under the provisions of Part 9, Division 5 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the terms of the Arrangement Agreement or this Plan of Arrangement or made at the direction of the Court in the Final Order (with the prior written consent of both the Company and Hudbay, such consent not to be unreasonably withheld, conditioned or delayed);

"**Arrangement Agreement**" means the arrangement agreement dated March 1, 2026, between Hudbay and the Company to which this Plan of Arrangement is attached as Schedule A, including all schedules annexed thereto, together with the Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**Arrangement Resolution**" means the special resolution of the Securityholders approving this Plan of Arrangement, which is to be considered and, if thought fit, passed at the Meeting, substantially in the form and content of Schedule B to the Arrangement Agreement;

"**Authorization**" means, with respect to any Person, any authorization, order, permit, approval, grant, agreement, licence, classification, restriction, registration, consent, order, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, bylaw, rule or regulation, having the force of Law, of, from or required by any Governmental Entity having jurisdiction over such Person;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**business day**" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia;

"**Canadian Securities Authorities**" means the Ontario Securities Commission and any other applicable securities commission and securities regulatory authority of a province or territory of Canada;

"**Company**" means Arizona Sonoran Copper Company Inc., a corporation existing under the Laws of the Province of British Columbia;

"**Company Share Value**" means, in respect of the Company Shares, the volume weighted average share price of the Company Shares on the TSX (during continuous trading hours) for the five trading days ending on the trading day immediately preceding the Value Determination Date, calculated by dividing the total Canadian dollar value of the Company Shares traded in such five

trading day period on the TSX (during continuous trading hours) by the total number of such shares traded on the TSX (during continuous trading hours) for such five-day trading period;

"**Company Shares**" means the common shares in the authorized share capital of the Company;

"**Consideration**" means the consideration to be received by the Shareholders (other than Hudbay and Dissenting Shareholders) pursuant to this Plan of Arrangement for their Company Shares, consisting of such number of Hudbay Shares multiplied by the Exchange Ratio for each Company Share;

"**Consideration Shares**" means the Hudbay Shares to be issued to the Shareholders (other than Hudbay and Dissenting Shareholders, but including for avoidance of doubt, the Hudbay Shares issued to former holders of DSUs, RSUs and Options that hold Company Shares following the Effective Time in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) hereof) pursuant to this Plan of Arrangement;

"**Court**" means the Supreme Court of British Columbia;

"**Depositary**" means TSX Trust Company, or such other Person as the Parties may appoint (each acting reasonably) to act as depositary in respect of the Arrangement;

"**Dissent Rights**" has the meaning ascribed thereto in Section 4.1(a) hereof;

"**Dissent Shares**" means Company Shares held by a Dissenting Shareholder that is a registered Shareholder as of both the record date of the Meeting and as of the deadline for exercising such Dissent Rights in respect of which the Dissenting Shareholder has properly and validly exercised Dissent Rights;

"**Dissenting Shareholder**" means a registered Shareholder that is a registered Shareholder as of both the record date of the Meeting and as of the deadline for exercising such Dissent Rights who has properly and validly dissented in respect of the Arrangement Resolution in strict compliance with the Dissent Rights, who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and who is ultimately determined to be entitled to be paid the fair value of their Company Shares, but only in respect of the Dissent Shares;

"**DRS Advice**" has the meaning specified in Section 3.1 hereof;

"**DSU Plan**" means the Directors Deferred Share Unit Plan of the Company effective July 6, 2021;

"**DSU Value**" for a DSU means an amount equal to the product of (i) the number of Company Shares underlying such DSU and (ii) the Company Share Value;

"**DSUs**" means the outstanding deferred share units granted under the DSU Plan;

"**Effective Date**" means the date upon which the Arrangement becomes effective in accordance with section 2.11 of the Arrangement Agreement;

"**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as the Parties agree to in writing before the Effective Date;

"**Equity Incentive Compensation and Withholding Schedule**" has the meaning specified in the Arrangement Agreement;

"**Equity Incentive Plan**" means the amended and restated 2020 Equity Incentive Plan of the Company effective June 21, 2021;

"**Exchange Ratio**" means 0.242 of a Hudbay Share for each Company Share, subject to adjustment pursuant to section 2.13 of the Arrangement Agreement;

"**Final Order**" means the final order of the Court made pursuant to section 291 of the BCBCA approving the Arrangement, in a form and in substance acceptable to the Company and Hudbay, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended, supplemented, modified or varied by the Court (with the prior written consent of both the Company and Hudbay, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such affirmation or amendment is acceptable to both the Company and Hudbay, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Governmental Entity**" means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local, tribal or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, ministry bureau, agency, district or entity, domestic or foreign; (b) the United States Securities and Exchange Commission, any Canadian Securities Authority or stock exchange, including the TSX and the NYSE; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Hudbay**" means Hudbay Minerals Inc., a corporation existing under the Laws of Canada;

"**Hudbay Shares**" means the common shares in the authorized share capital of Hudbay;

"**Incentive Awards**" means, collectively, the DSUs, RSUs and Options;

"**including**" means including without limitation, and "**include**" and "**includes**" have a corresponding meaning;

"**Interim Order**" means the interim order of the Court following the application therefor submitted to the Court after being informed of the intention to rely upon the exemption from registration under section 3(a)(10) of the U.S. Securities Act with respect to the Consideration Shares issued pursuant to the Arrangement, as contemplated by section 2.3 of the Arrangement Agreement, in a form and in substance acceptable to the Company and Hudbay, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same may be amended, supplemented, modified or varied by the Court (with the prior written consent of both the Company and Hudbay, each acting reasonably);

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations,

awards, decrees or other requirements, whether domestic or foreign and the terms and conditions of any Authorization of or from any Governmental Entity, and, for greater certainty, includes Securities Laws, and the term "**applicable**" with respect to such Laws and in a context that refers to a Party, means such Laws as are applicable to such Party and/or its Subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party and/or its Subsidiaries or its or their business, undertaking, property or securities;

"**Letter of Transmittal**" means the form of the letter of transmittal to be delivered by the Company to registered Shareholders for use in connection with the Arrangement;

"**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, statutory or deemed trusts, encumbrances, reservations on title, royalty interests, adverse rights or claims or other third party interests or encumbrances of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"**Meeting**" means the special meeting of Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Circular and agreed to in writing by Hudbay;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;

"**Notice of Dissent**" means a written notice provided by a Shareholder that is a registered holder of Company Shares to the Company as of both the record date of the Meeting and as of the deadline for exercising such Dissent Rights setting forth such Shareholder's objection to the Arrangement Resolution and exercise of Dissent Rights, in accordance with the requirements of Division 2 of Part 8 of the BCBCA, as may be modified by this Plan of Arrangement or the Interim Order;

"**NYSE**" means the New York Stock Exchange;

"**Option Value**" for an Option means an amount, which amount cannot be less than zero, equal to (a) the Company Share Value, minus (b) the exercise price of such Option;

"**Options**" means the outstanding options to purchase Company Shares granted under the Equity Incentive Plan;

"**Parties**" means, together, Hudbay and the Company, and "**Party**" means either of them as the context requires;

"**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"**Plan of Arrangement**" means this plan of arrangement and any amendments or variations hereto made in accordance with the Arrangement Agreement and this plan of arrangement or upon the direction of the Court in the Final Order (with the prior written consent of both the Company and

Hudbay, each acting reasonably), and references to "**Article**" or "**Section**" mean the specified Article or Section of this Plan of Arrangement;

"**RSU Value**" for an RSU means an amount equal to the product of (i) the number of Company Shares underlying such RSU and (ii) the Company Share Value;

"**RSUs**" means the outstanding restricted share units granted under the Equity Incentive Plan;

"**Shareholder Rights Plan**" means the Shareholder Rights Plan Agreement between the Company and TSX Trust Company dated January 31, 2025;

"**Securityholders**" means, collectively, the Shareholders and the holders of Options, DSUs and RSUs;

"**Shareholders**" means the registered and/or beneficial holders of Company Shares, as the context requires;

"**Subsidiary**" has the meaning ascribed thereto in NI 45-106 and, for certainty, Arizona Sonoran Copper Company (USA) Inc. and Cactus 110 LLC are Subsidiaries of the Company;

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Securities Act**" means the United States Securities Act of 1933;

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986; and

"**Value Determination Date**" means the date that is three business days prior to the Effective Date.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section or Schedule by number or letter or both refer to the Article, Section or Schedule, respectively, bearing that designation in this Plan of Arrangement.

1.3 Number and Gender

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.4 Calculation of Time

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a business day, such time period shall be extended to the next business day following the day on which it would otherwise end.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.6 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollars.

1.7 No Strict Construction

The language used in this Plan of Arrangement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.8 Statutory References

Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

1.9 Governing Law

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein.

1.10 Time

Time is of the essence in the performance of the Parties' respective obligations hereunder.

1.11 Time References

In this Plan of Arrangement, unless otherwise specified, any references to time are to local time, Vancouver, British Columbia.

1.12 Other Definitions

Capitalized terms that are used herein but not defined shall have the meanings ascribed thereto in the Arrangement Agreement.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

2.2 Effectiveness

Subject to Court approval of the Arrangement under s. 291 of the BCBCA, the Plan of Arrangement will become effective at the Effective Time (except as otherwise provided herein) and will be binding from and after the Effective Time on Hudbay, the Company, the Depositary, the Shareholders, including the Dissenting Shareholders, and the holders of Incentive Awards, in each case, without any further authorization, act or formality on the part of any Person, except as expressly provided herein.

2.3 The Arrangement

The following steps shall occur and shall be deemed to occur, commencing at the Effective Time, sequentially in the following order, with each such step after the first occurring five minutes after the preceding step (except where otherwise indicated), and without any further authorization, act or formality on the part of any Person:

Shareholder Rights Plan

(a) Notwithstanding the terms of the Shareholder Rights Plan, the Shareholder Rights Plan shall be terminated, and all rights issued pursuant to the Shareholder Rights Plan shall be cancelled without any payment in respect thereof and the Shareholder Rights Plan shall be of no further force or effect.

Incentive Securities

(b) DSUs. Notwithstanding any vesting or redemption or other provisions to which a DSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the DSU Plan governing such DSU), each DSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action by any Person, be fully vested and transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the DSU Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such DSU in accordance with Section 3.7 hereof, and in part by the Company issuing Company Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon such DSUs shall be removed from the accounts of the holders of such DSUs maintained by the Company and each DSU shall immediately be cancelled and all agreements relating to the DSUs shall be terminated and shall be of no further force and effect.

(c) RSUs. Notwithstanding any vesting or settlement or other provisions to which an RSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the Equity Incentive Plan governing such RSU), each RSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the RSU Value in exchange therefor, which amount shall be

paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such RSU in accordance with Section 3.7 hereof) and in part by the Company issuing Company Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such RSUs shall be removed from the accounts of the holders of such RSUs maintained by the Company and each RSU shall immediately be cancelled and all agreements relating to the RSUs shall be terminated and shall be of no further force and effect.

(d) Options. Notwithstanding any vesting or exercise or other provisions to which an Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Equity Incentive Plan governing such Option), each Option shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the Option Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such Option in accordance with Section 3.7 hereof) and in part by the Company issuing Company Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such Option shall be removed from the register of Options maintained by the Company, and the Equity Incentive Plan and each Option shall immediately be cancelled and all agreements relating to the Options shall be terminated and shall be of no further force and effect.

Dissenting Shareholders

(e) Each Dissent Share shall be and shall be deemed to be transferred and assigned by the holder thereof without any further act or formality on its part, free and clear of all Liens, to the Company in accordance with, and for the consideration contemplated in, Section 4.1 hereof, and:

(i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the registered holder of each such Dissent Share and the name of such registered holder shall be, and shall be deemed to be, removed from the central securities register of the Company in respect of each such Dissent Share, and at such time each Dissenting Shareholder will have only the rights set out in Section 4.1 hereof;

(ii) such Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Dissent Share; and

(iii) the Company shall be the holder of all of the outstanding Dissent Shares, free and clear of all Liens, and the central securities register of the Company shall be revised accordingly.

Transfer of Company Shares to Hudbay

(f) Each Shareholder (which for avoidance of doubt, shall include former holders of DSUs, RSUs and Options that hold Company Shares following the Effective Time in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) hereof), other than Hudbay or a Dissenting

Shareholder, shall transfer and assign their Company Shares, without any further act or formality by the Shareholder, free and clear of any Liens, to Hudbay in exchange for the allotment and issuance of the Consideration by Hudbay for each such Company Share so transferred, and in respect of the Company Shares so transferred:

(i) the registered holder thereof shall cease to be, and shall be deemed to cease to be, the registered holder of each such Company Share and the name of such registered holder shall be removed from the central securities register of Company;

(ii) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Company Share;

(iii) Hudbay shall be the holder of all of the outstanding Company Shares (other than Dissent Shares), free and clear of all Liens, and the central securities register of the Company shall be revised accordingly; and

(iv) each such former Shareholder shall, upon the issuance of the Consideration Shares in their name as contemplated in this Plan of Arrangement, be entered into the share register of Hudbay maintained by or on behalf of Hudbay in respect of the Consideration Shares issuable to such former Shareholder pursuant to this Section 2.3(f).

The exchanges, transfers and cancellations provided for in this Section 2.3 will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

ARTICLE 3
DELIVERY OF CONSIDERATION

3.1 Deposit of Consideration

(a) Following receipt of the Final Order and in any event no later than the business day prior to the Effective Date, Hudbay shall deposit in escrow, or cause to be deposited in escrow, with the Depositary, sufficient Hudbay Shares to satisfy the aggregate Consideration payable to the Shareholders (which for avoidance of doubt, shall include sufficient Hudbay Shares to satisfy the number of Hudbay Shares issued to former holders of DSUs, RSUs and Options that hold Company Shares following the Effective Time in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) hereof), which shall be held by the Depositary in escrow as agent and nominee for such former Shareholders and former holders of DSUs, RSUs and Options for distribution to such former Shareholders and former holders of DSUs, RSUs and Options in accordance with the provisions of this Article 3. The Company will process the cash payments payable to the former holders of Options, DSUs and RSUs in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) hereof through the payroll systems of the Company for the purposes of calculating, deducting and remitting the applicable Tax withholding amount required under applicable Law or in accordance with Section 3.7 hereof. For greater certainty, all payments to holders of Incentive Awards pursuant to this

Plan of Arrangement, and any withholding of amounts in respect thereof, shall be processed through the payroll systems of the Company.

(b) Upon surrender to the Depositary for cancellation of a certificate or a direct registration statement (DRS) advice (a "**DRS Advice**") which immediately prior to the Effective Time represented one or more Company Shares that were transferred under the Arrangement, together with a duly completed and executed Letter of Transmittal and such other documents and instruments as the Depositary or Hudbay may reasonably require, the registered holder of the Company Shares represented by such surrendered certificate or DRS Advice shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder (in each case less any amounts withheld pursuant to Section 3.7 hereof (if any)), the Consideration that such holder has the right to receive under the Arrangement for such Company Shares, and the certificate or DRS Advice so surrendered shall forthwith be cancelled.

(c) In the event of a transfer of ownership of Company Shares which was not registered in the transfer records of the Company under the name of the transferee surrendering such certificate or DRS Advice, the Consideration that such registered holder has the right to receive, subject to Section 2.3 hereof, shall be delivered to the transferee if the certificate or DRS Advice which immediately prior to the Effective Time represented Company Shares that were exchanged for the Consideration under the Arrangement is presented to the Depositary, accompanied by all documents reasonably required to evidence and effect such transfer.

(d) After the Effective Time and until surrendered for cancellation as contemplated by Section 3.1(b) hereof, each certificate or DRS Advice that immediately prior to the Effective Time represented one or more Company Shares, other than Company Shares held by Hudbay and the Dissent Shares, shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate or DRS Advice is entitled to receive in accordance with Section 2.3 hereof, less any amounts withheld pursuant to Section 3.7 hereof (if any).

3.2 Distributions with Respect to Unsurrendered Certificates

No dividends or other distributions declared or made after the Effective Time with respect to Consideration Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate or DRS Advice which immediately prior to the Effective Time represented outstanding Company Shares that were exchanged for Consideration Shares pursuant to Section 2.3(f) hereof until the holder of such certificate or DRS Advice shall surrender such certificate or DRS Advice in accordance with Section 3.1 hereof. Subject to applicable law, at the time of such surrender of any such certificate or DRS Advice (or, in the case of clause (ii) below, at the appropriate payment date), there shall be paid to the holder of the certificates or DRS Advices representing Company Shares that were exchanged for Consideration Shares pursuant to Section 2.3(f) hereof, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to the Consideration Shares to which such holder is entitled pursuant hereto, and (ii) to the extent not paid under clause (i), on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective

Time but prior to surrender and the payment date subsequent to surrender payable with respect to such Consideration Shares.

3.3 Deemed Fully Paid and Non-Assessable Shares

All Consideration Shares (which for avoidance of doubt, shall include sufficient Hudbay Shares to satisfy the number of Hudbay Shares issued to former holders of DSUs, RSUs and Options that hold Company Shares following the Effective Time in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) hereof) shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares.

3.4 No Fractional Shares

No fractional Hudbay Shares shall be issued pursuant to this Plan of Arrangement. Where the aggregate number of Hudbay Shares to be issued to any Person pursuant to this Plan of Arrangement, including pursuant to Sections 2.3(f) and 3.1 hereof, would result in a fraction of a Hudbay Share being issuable, such number shall be rounded down to the nearest whole Hudbay Share and no consideration will be paid in lieu of the issuance of a fractional Hudbay Share.

3.5 Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares, which were exchanged in accordance with Section 2.3(f) hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the aggregate Consideration which such holder is entitled to receive in accordance with this Plan of Arrangement and such holder's duly completed and executed Letter of Transmittal. When authorizing such delivery of the aggregate Consideration which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom the Consideration is to be delivered shall, as a condition precedent to the delivery of such Consideration, give a bond satisfactory to Hudbay and the Depositary in such amount as Hudbay and the Depositary may direct, or otherwise indemnify Hudbay, the Company and the Depositary and/or any of their respective representatives or agents in a manner satisfactory to Hudbay and the Depositary, against any claim that may be made against Hudbay, the Company or the Depositary and/or any of their respective representatives or agents with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of the Company.

3.6 Extinction of Rights

Any certificate or DRS Advice which immediately prior to the Effective Time represented outstanding Company Shares that were exchanged pursuant to Section 2.3(f) hereof that is not deposited with all other instruments required by Section 3.1 hereof on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a securityholder of the Company or Hudbay. On such date, the Consideration Shares, as applicable, to which the former registered holder of the certificate or DRS Advice referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Hudbay (or its successor(s)). None of Hudbay, the Company or the Depositary shall be liable to any Person in respect of any Consideration Shares (or dividends, distributions

and interest in respect thereof) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

3.7 Withholding Rights; Tax Consequences

Hudbay, the Company, the Depositary, their respective Subsidiaries and any other Person on their behalf, shall be entitled to deduct and withhold from any amounts payable to any Person pursuant to the Arrangement and under this Plan of Arrangement, such amounts as Hudbay, the Company, the Depositary and their respective Subsidiaries, or any Person on behalf of any of the foregoing, is or may be required or permitted to deduct or withhold with respect to such payment under the Tax Act, the U.S. Tax Code, or any provision of applicable Law, in each case, as amended, or under the administrative practice of the relevant Governmental Entity administering such Law, and to request from any recipient of any payment hereunder any necessary tax forms or any other proof of exemption from withholding or any similar information. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Person to whom such amounts would otherwise have been paid, provided that such deducted or withheld amounts are properly reported and actually remitted to the applicable Governmental Entity. In any case where the amount so required or permitted to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable, Hudbay, the Company, the Depositary, their respective Subsidiaries, and any Person on behalf of the foregoing, as the case may be, is authorized to sell or otherwise dispose of such portion of the Consideration as is necessary in order to fully fund such liability, and such Person shall remit any unapplied balance of the net proceeds of such sale to the holder.

3.8 Transfer Free and Clear

For greater certainty, any transfer or exchange of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens.

3.9 Interest

Under no circumstances shall interest accrue or be paid by the Company, Hudbay, the Depositary or any other Person to any Shareholder or other Persons depositing certificates or DRS Advices pursuant to this Plan of Arrangement in respect of Company Shares or holders of Incentive Awards.

ARTICLE 4
RIGHTS OF DISSENT

4.1 Dissent Rights

(a) Pursuant to the Interim Order, Shareholders who are registered holders of Company Shares as of both the record date of the Meeting and as of the deadline for exercising such Dissent Rights may exercise rights of dissent in connection with the Arrangement under Division 2 of Part 8 of the BCBCA, as modified by this Article 4, the Interim Order, the Final Order ("**Dissent Rights**"), with respect to all (but not less than all) of the Company Shares held by such Shareholder, provided that, notwithstanding subsection 242(1)(a) of the BCBCA, the Notice of Dissent contemplated by section 242(1)(a) of the BCBCA, as may be modified by the Interim Order, must be received by the Company by 4:00 p.m. (Vancouver

time) on the date that is at least two business days prior to the date of the Meeting, or any date to which the Meeting may be postponed or adjourned, and provided further that each Dissenting Shareholder who:

(i) is ultimately entitled to be paid the fair value of their Dissent Shares: (A) will be entitled to be paid the fair value of such Dissent Shares by the Company (less any applicable withholdings pursuant to Section 3.7 hereof), which fair value, notwithstanding anything to the contrary contained in the BCBCA, shall be the fair value of such Dissent Shares determined as of the close of business on the day immediately before the approval of the Arrangement Resolution; (B) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(e), if applicable); (C) shall be deemed to have transferred and assigned such Dissent Shares, free and clear of any Liens, to the Company in accordance with Section 2.3(e) hereof; and (D) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holder not exercised their Dissent Rights in respect of such Company Shares; or

(ii) is ultimately not entitled, for any reason, to be paid fair value for such holder's Company Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting registered holder of Company Shares, and shall be entitled to receive only the Consideration pursuant to Section 2.3(f) hereof that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights.

(b) In no circumstances shall Hudbay, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Shares in respect of which such rights are sought to be exercised as of both the record date of the Meeting and as of the deadline for exercising such Dissent Rights.

(c) In no case shall Hudbay, the Company or any other Person be required to recognize Dissenting Shareholders as holders of Company Shares after the time that is immediately prior to the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the central securities register as holders of Company Shares at the time at which the step in Section 2.3(e) hereof occurs.

(d) For greater certainty, in addition to any other restrictions set forth in the Interim Order and under Division 2 of Part 8 of the BCBCA, none of the following shall be entitled to exercise Dissent Rights: (i) a holder of any Incentive Awards in respect of such holder's Incentive Awards; (ii) Shareholders who have voted or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution; and (iii) any Person who is not a registered Shareholder as of both the record date for the Meeting and as of the deadline for exercising such Dissent Rights.

ARTICLE 5
GENERAL

5.1 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to the Company Shares and the Incentive Awards issued prior to the Effective Time; (b) the rights and obligations of the holders of Company Shares, the holders of Incentive Awards, the Parties, the Depositary and any trustee or transfer agent therefor in relation thereto, and any other Person having any right, title or interest in or to Company Shares and Incentive Awards, shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any securities of the Company subject to this Plan of Arrangement shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

5.2 Amendment

(a) Hudbay and the Company reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be: (i) agreed to in writing by the Company and Hudbay; (ii) filed with the Court and, if made following the Meeting, approved by the Court; and (iii) communicated to Securityholders if and as required by the Court.

(b) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by Hudbay and the Company at any time prior to the Meeting (provided, however, that the Parties shall have consented thereto in writing), with or without any other prior notice or communication, and, if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if: (i) it is consented to in writing by each of Hudbay and the Company (each acting reasonably); and (ii) if required by the Court, it is consented to by the Securityholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made by the Company and Hudbay without the approval of or communication to the Court or the Securityholders, provided that it concerns a matter which, in the reasonable opinion of the Company and Hudbay, is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Securityholders.

(e) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

5.3 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and be deemed to have occurred in the order set out herein, without any further act or formality, each of Hudbay and the Company shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Plan of Arrangement and to further document or evidence any of the transactions or events set out herein.

ARTICLE 6
U.S. SECURITIES LAW EXEMPTION

6.1 U.S. Securities Law Exemption

Notwithstanding any provision herein to the contrary, the Company and Hudbay each agree that this Plan of Arrangement will be carried out with the intention that, and they will use their commercially reasonable best efforts to ensure that all Consideration Shares issued under the Arrangement (including Consideration Shares issued to former holders of DSUs, RSUs and Options in accordance with this Plan of Arrangement) will be issued by Hudbay pursuant to this Plan of Arrangement, whether in the United States, Canada or any other country, in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by section 3(a)(10) thereof and applicable state securities Laws, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement.

APPENDIX "C"
INTERIM ORDER

See attached.

No. S-262326
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 AND 291 OF *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ARIZONA SONORAN COPPER COMPANY INC., AND ITS SECURITYHOLDERS AND HUDBAY MINERALS INC.

ARIZONA SONORAN COPPER COMPANY INC.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE ASSOCIATE JUDGE Bilawich) Thursday, April 2, 2026

ON THE WITHOUT NOTICE APPLICATION of the Petitioner, Arizona Sonoran Copper Company Inc. ("**Arizona Sonoran**" or the "**Petitioner**" or the "**Company**") dated March 31, 2026, for an Interim Order pursuant to s. 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with a proposed arrangement (the "**Arrangement**") involving Arizona Sonoran, its securityholders, and Hudbay Minerals Inc. ("**Hudbay**"), to be effected on the terms and subject to the conditions set out in a plan of arrangement (the "Plan of Arrangement"), coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Thursday, April 2, 2026 and ON READING the Affidavit #1 of George Ogilvie, made March 31, 2026, and ON HEARING Teresa Tomchak and Maya Churilov, counsel for the Petitioner and Laura Bevan, counsel for Hudbay and upon being advised that it is the intention of the parties to rely on section 3(a)(10) of the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and that the declaration of the procedural and substantive fairness of, and the approval of, the Arrangement by this Honourable Court will serve as a basis for an exemption from the registration requirements of the U.S. Securities Act pursuant to section 3(a)(10) thereof, for the issuance of securities pursuant to the Plan of Arrangement.

THIS COURT ORDERS that:

Definitions

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters shall have the respective meanings set out in the Petition and in the management information circular (the "**Circular**"), which is attached as Exhibit "A" to the Affidavit of George Ogilvie sworn March 31, 2026 (the "**Interim Order Affidavit**").

The Company Meeting

2. Pursuant to section 291(2)(b)(i) and section 289(1)(a)(i) and (e) of the BCBCA, Arizona Sonoran is authorized and directed to call, hold and conduct a special company meeting (the "**Company Meeting**") of the Securityholders to be held on May 11, 2026 at 1:00 p.m. (Toronto Time) in a virtual-only format conducted via live audio webcast online, or at such other time to be determined by Arizona Sonoran provided that the Securityholders have due notice of the same.

3. At the Company Meeting, the Securityholders will be asked to consider and, if thought advisable, approve, with or without variation, a special resolution authorizing and approving the Arrangement (the "**Arrangement Resolution**") and to transact such further or other business as may properly come before the Company Meeting and any adjournments or postponements thereof.

4. The Company Meeting shall be called, held and conducted in accordance with the BCBCA, the Circular and the articles of Arizona Sonoran (the "**Articles**"), subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the Chair of the Company Meeting, such rulings and directions not to be inconsistent with this Interim Order. To the extent there is any inconsistency between this Interim Order and the terms of the foregoing, this Interim Order shall govern or, if not specified in the Interim Order, the final version of the Circular shall govern.

5. The record date for determining the Securityholders entitled to receive the Company Meeting Materials, as defined below, and to attend and vote at the Company Meeting, shall be the close of business on March 25, 2026 (the **"Record Date"**), or such other date as the Board, as defined below, may determine in accordance with the Articles, the BCBCA, or as disclosed in the Company Meeting Materials.

6. The only persons entitled to attend the Company Meeting shall be:

   (a) Securityholders as at the close of business on the Record Date, or their respective proxyholders;

   (b) Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX Trust Company in accordance with the instructions in the Circular will be able to attend and listen to the virtual Company Meeting as a guest but will not be able to vote, ask questions or otherwise participate in any discussions at the virtual Company Meeting;

(c) directors, officers, and advisors of Arizona Sonoran;

(d) directors, officers, and representatives of Hudbay; and

(e) other persons with the permission of the Chair of the Company Meeting,

and the only persons entitled to vote at the Company Meeting shall be Securityholders as of the close of business on the Record Date, or their respective proxyholders.

Quorum

7. The quorum for the transaction of business at the Company Meeting is two Shareholders entitled to vote at the meeting whether present virtually or by proxy who hold, in the aggregate, at least 5% of the issued and outstanding Common Shares entitled to be voted at the meeting.

Amendments to the Arrangement and the Plan of Arrangement

8. Arizona Sonoran is authorized to make, in the manner contemplated by and subject to the Plan of Arrangement, such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, and the Circular as Arizona Sonoran and Hudbay may determine, without any additional notice to or authorization of any of the Securityholders, or further orders of this Court. The Plan of Arrangement and the Circular, as amended, modified, or supplemented, shall be the Plan of Arrangement and the Circular to be submitted to the Securityholders, as applicable, and the subject of the Arrangement Resolution.

Adjournments and Postponements

9. Notwithstanding the provisions of the BCBCA and the Articles, and subject to the terms of the Arrangement Agreement, the Board of Directors of Arizona Sonoran (the "**Board**") by resolution shall be entitled to adjourn or postpone the Company Meeting or the date of the hearing for the Final Order, as defined below, on one or more occasions without the necessity of first convening the Company Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and without the need for approval of this Court. Arizona Sonoran shall provide due notice of any such adjournment or postponement by press release, newspaper advertisement or notice sent to the Securityholders by one of the methods specified in paragraphs 12 and 13 of this Interim Order, as determined to be the most appropriate method of communication by Arizona Sonoran. This provision shall not limit the authority of the Chair of the Company Meeting in respect of adjournments or postponements.

10. The Record Date for Securityholders entitled to notice of and to vote at the Company Meeting will not change in respect of adjournments or postponements of the Company Meeting.

Notice of Company Meeting

11. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the BCBCA, and Arizona Sonoran shall not be required to send to the Securityholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA.

12. To effect the notice of the Company Meeting, Arizona Sonoran shall send the Circular, the forms of proxy and voting instruction form and the letter of transmittal, as applicable, along with such amendments or additional documents as Arizona Sonoran may determine are necessary or desirable and are not inconsistent with the terms of the Interim Order (collectively, the "**Company Meeting Materials**"), as follows:

    (a) to the registered Shareholders at the close of business on the Record Date, at least 21 days prior to the date of the Company Meeting, excluding the date of sending and the date of the Company Meeting, by one or more of the following methods:

        (i) by pre-paid ordinary or first class mail at the addresses of the Shareholders as they appear on the books and records of Arizona Sonoran, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of Arizona Sonoran;

        (ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

        (iii) by facsimile or electronic transmission to any Shareholder, who is identified to the satisfaction of Arizona Sonoran, who requests or has previously requested such transmission in writing;

    (b) to non-registered Shareholders by providing sufficient copies of the Company Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**");

    (c) to directors and auditors of Arizona Sonoran by delivery in person, by recognized courier service, by prepaid ordinary or first class mail or by facsimile or email transmission, at least 21 days prior to the Company Meeting, excluding the date of sending and the date of the Company Meeting.

13. Concurrently with the sending of the Company Meeting Materials described in paragraph 12 of this Interim Order, the Petitioner shall send a copy of the Circular and any other communications or documents determined by the Petitioner to be necessary or desirable to the Incentive Securityholders to the addresses or email addresses as they appear on the books and records of the Petitioner or its registrar and transfer agent at the close of business on the Record Date.

14. The Company will include in the Company Meeting Materials a copy of this Interim Order, as well as the Petition in substantially the form attached as Appendix "C" and "I" to the Circular which is attached as Exhibit "A" to the Interim Order Affidavit (the "**Court**

Materials"). A copy of the Notice of Application for the Interim Order, and the other documents that were filed in support of the Interim Order and will be filed in support of the Petition will be furnished to any Securityholder upon a request in writing addressed to the solicitors of the Petitioner, as set out in the Petition.

15. Delivery of the Court Materials with the Company Meeting Materials in accordance with this Interim Order will constitute good and sufficient service of such Court Materials upon all persons who are entitled to receive the Court Materials pursuant to this Interim Order, and shall be deemed to have been served at the times specified in accordance with paragraph 19 of this Interim Order, whether such persons reside within British Columbia or within another jurisdiction, and no other form of service need be effected and no other material need be served on such persons in respect of these proceedings.

16. In the event of an interruption in or cessation of postal services due to strike or otherwise, the Petitioner shall be authorized, in addition to or as an alternative to the methods of delivery specified in paragraph 12 above to communicate notice of the Company Meeting by publishing notice of the Company Meeting in one of the following newspapers:

    (i) The Globe and Mail (National edition); or

    (ii) The National Post,

    which publication shall include specific reference to locations (including www.sedarplus.ca) at which copies of the Company Meeting Materials or Court Materials will be available.

17. Substantial compliance with paragraphs 12 to 16 above will constitute good and sufficient notice of the Company Meeting and delivery of the Company Meeting Materials.

18. Accidental failure of or omission by Arizona Sonoran to give notice to any one or more Shareholder, or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Arizona Sonoran shall not constitute a breach of this Interim Order or a defect in the calling of the Company Meeting and shall not invalidate any resolution passed or proceeding taken at the Company Meeting, but if any such failure or omission is brought to the attention of Arizona Sonoran, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

19. The Company Meeting Materials and any amendments, modifications, updates or supplements to the Company Meeting Materials and any notice of adjournment or postponement of the Company Meeting, shall be deemed to have been received,

    (a) in the case of mailing, the day, Saturday and holidays excepted, following the date of mailing as specified in section 6 of the BCBCA;

    (b) in the case of delivery in person, upon receipt thereof at the intended recipient's address or, in the case of delivery by courier, one business day after receipt by the courier;

(c) in the case of transmission by email or facsimile, upon the transmission thereof;

(d) in the case of advertisement, news release or press release, at the time of publication of the advertisement, news release or press release;

(e) in the case of electronic filing on SEDAR+, upon the transmission thereof; and

(f) in the case of non-registered Shareholders, three (3) days after the delivery thereof to intermediaries and registered nominees.

20. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Company Meeting Materials may be communicated, at any time prior to the Company Meeting, to the Securityholders by press release, news release, newspaper advertisement or by notice sent to the Securityholders using any of the means set forth in paragraphs 12 and 13, as determined to be the most appropriate method of communication by the Board.

Solicitation of Proxies

21. Arizona Sonoran is authorized to use the forms of proxy and voting instruction form, as applicable, for Securityholders in substantially the same form as is found in Exhibit "B" to the Interim Order Affidavit, subject to Arizona Sonoran's ability to insert dates and other relevant information in the final forms and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. Arizona Sonoran and Hudbay are authorized, at their expense, to solicit proxies, directly or through their officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as they may determine.

22. The procedures for the use of proxies at the Company Meeting and revocation of proxies shall be as set out in the Company Meeting Materials.

Voting

23. The only persons entitled to vote on the Arrangement Resolution or such other business as properly brought before the Company Meeting shall be those Securityholders as of the close of business on the Record Date.

24. To become effective, the Arrangement Resolution must be approved at the Company Meeting by the affirmative vote of at least:

(i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting on the basis of one vote per Common Share held;

(ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or represented by proxy and entitled to vote at the Company Meeting, voting together as a single class, on the basis of one vote per Common Share held

and one vote for each Common Share that the holder of each Option, RSU and DSU, as applicable, would have received on a valid exercise or settlement of such holder's Options, RSUs and DSUs, as applicable, without reference to any vesting provisions or exercise price; and

(iii) a simple majority of the votes cast by Shareholders on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting, excluding certain persons required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

Scrutineer

25. The Chair of the Company Meeting, or such other person as may be designated by the Chair of the Company Meeting upon consultation with legal counsel to the Company, will be authorized to act as scrutineer for the Company Meeting.

Chair of the Company Meeting

26. The Chair of the Company Meeting shall be an officer or director of the Petitioner, or such other person as may be appointed by the Shareholders for that purpose.

27. The Chair of the Company Meeting is at liberty to call on the assistance of legal counsel at any time and from time to time, as the Chair of the Company Meeting may deem necessary or appropriate, during the Company Meeting, and such legal counsel is entitled to attend the Company Meeting for this purpose.

28. The Chair of the Company Meeting shall be permitted to ask questions of, and demand the production of evidence, from Securityholders or such other persons in attendance or represented at the Company Meeting, as he or she considers appropriate having regard to the orderly conduct of the Company Meeting, the authority of any person to vote at the Company Meeting, and the validity and propriety of the votes cast and the proxies submitted in respect of the Arrangement Resolution.

29. The Chair of the Company Meeting may, in the Chair's sole discretion, waive the deadline specified in the form of proxy for the deposit of proxies.

30. The Chair or another representative of the Petitioner present at the Company Meeting, shall, in due course, file with the Court an affidavit verifying the actions taken and the decisions reached at the Company Meeting with respect to the Arrangement.

Dissent Rights

31. Registered Shareholders as of both the Record Date and as of the deadline for exercising Dissent Rights may exercise, pursuant to and in the manner set forth in sections 237 to 247 of the BCBCA, the right of dissent in connection with the Arrangement Resolution, as same may be modified by the Interim Order, the Final Order and Article 4 of the Plan of

Arrangement ("**Dissent Rights**"); provided that, notwithstanding (a) subsection 242(1)(a) of the BCBCA, the written notice of dissent referred to in subsection 242(1)(a) of the BCBCA must be received by the Company not later than 4:00 p.m. (Vancouver time) two (2) business days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time) and (b) subsection 245(1) of the BCBCA, the Company will be required to pay the fair value of such Common Shares held by a Dissenting Shareholder (less any applicable withholdings pursuant to Section 3.7 of the Plan of Arrangement), and to offer and pay the amount to which such holder is entitled, which fair value, notwithstanding anything to the contrary in the BCBCA, shall be the fair value of such Dissent Shares determined as of the close of business on the day immediately before the approval of the Arrangement Resolution.

32. Dissenting Shareholders who are ultimately determined to be entitled to be paid fair value for their Common Shares pursuant to the Dissent Rights (a) will be deemed not to have participated in the Arrangement (other than as it relates to the treatment of Dissenting Shareholders), (b) will be deemed to have transferred and assigned such Dissent Shares held by them and in respect of which Dissent Rights have been properly and validly exercised to the Company, without any further act or formality, free and clear of all Liens at the time specified in Section 2.3(e) of the Plan of Arrangement, (c) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holder not exercised their Dissent Rights in respect of such Common Shares.

33. Dissenting Shareholders who are ultimately determined not to be entitled, for any reason, to be paid fair value for such holder's Common Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting Registered Shareholders, and shall be entitled to receive only the Consideration pursuant to Section 2.3(f) of the Plan of Arrangement on the same basis that a non-Dissenting Shareholder would have received pursuant to the Arrangement if such Shareholder had not exercised Dissent Rights.

34. In no circumstances will Hudbay, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the Registered Shareholder in respect of which such rights are sought to be exercised as of both the Record Date and as of the deadline for exercising such Dissent Rights. In no case will the Purchaser, the Company or any other Person be required to recognize Dissenting Shareholders as Shareholders after the time that is immediately prior to the Effective Time, and the names of such Dissenting Shareholders will be deleted from the central securities register as Shareholders at the time at which the step in Section 2.3(e) of the Plan of Arrangement occurs.

35. In addition to any other restrictions in the Interim Order or sections 237 to 247 of the BCBCA, none of the following will be entitled to exercise Dissent Rights: (i) an Incentive Securityholder in respect of such holder's Incentive Securities; (ii) Shareholders who have voted or have instructed a proxyholder to vote such Common Shares in favour of the Arrangement Resolution; and (iii) any Person who is not a Registered Shareholder as of both the Record Date and as of the deadline for exercising such Dissent Rights.

Final Order

36. Upon the approval, with or without variation, by the Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Arizona Sonoran may apply for an order of this Court approving the Arrangement, pursuant to section 291 of the BCBCA (the "**Final Order**"), at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on May 14, 2026 at 9:45 a.m. (Vancouver time) or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct.

37. Any Securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the Petition, provided that such person shall file with this Court a Response to Petition in the form prescribed by the *Supreme Court Civil Rules* together with any evidence or material on which such person intends to rely at the hearing of the Petition, to Arizona Sonoran's counsel at:

Osler, Hoskin & Harcourt LLP
1055 Dunsmuir Street, Suite 3000
Vancouver, BC V7X 1K8

Attention: Teresa Tomchak/Maya Churilov

by 4:00 p.m. (Vancouver time) on May 12, 2026.

38. In the event that the hearing of the Petition is adjourned, then only those persons who filed and delivered a Response to Petition in accordance with this Interim Order need be served with notice of the adjourned date.

39. Arizona Sonoran shall not be required to comply with Rule 8-1, and Rule 16-1 of the *Supreme Court Civil Rules* in relation to the hearing of the Petition for the Final Order approving the Plan of Arrangement, and in particular any materials to be filed by Arizona Sonoran in support of the hearing for the Final Order may be filed at any time prior to the hearing for the Final Order without further order of this Court.

40. Arizona Sonoran and Hudbay may attend the hearing of the Petition by way of video conference pursuant to Rule 23-5(4) of the *Supreme Court Civil Rules*, without further order of this Court.

Variance

41. Arizona Sonoran shall be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

42. To the extent of any inconsistency or discrepancy between this Interim Order and the Circular, the BCBCA, or the Articles, this Interim Order will govern.

43. Arizona Sonoran shall not be required to comply with Rule 8-1 and Rule 16-1 of the *Supreme Court Civil Rules* in relation to any application to vary this Interim Order.

Extra-Territorial Assistance

44. This Court seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Teresa Tomchak
Counsel for the Petitioner

Signature of Laura Bevan
Counsel for Hudbay Minerals Inc.

By the Court.

Registrar

CHECKED

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 AND 291 OF *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ARIZONA SONORAN COPPER COMPANY INC., AND ITS SECURITYHOLDERS, AND HUDBAY MINERALS INC

ARIZONA SONORAN COPPER COMPANY INC.

PETITIONER

ORDER MADE AFTER APPLICATION

OSLER, HOSKIN & HARCOURT LLP
Suite 3000, Bentall Four
1055 Dunsmuir Street
Vancouver, BC V7X 1K8

Attention: Teresa Tomchak
Matter No. 1256428

APPENDIX "D"
INDEPENDENT FAIRNESS OPINION

See attached.

March 1, 2026

The Board of Directors
Arizona Sonoran Copper Company Inc.
372 Bay St Suite 1800
Toronto, ON, M5H 2W9

To the Board of Directors:

Origin Merchant Partners ("**Origin**", "**we**" or "**us**"), understands that Arizona Sonoran Copper Company Inc. (the "**Company**" or "**ASCU**") proposes to enter into an arrangement agreement (the "**Arrangement Agreement**") with Hudbay Minerals Inc. ("**Hudbay**" or the "**Acquirer**") dated March 1, 2026 pursuant to which, *inter alia*, the Acquirer will acquire all of the outstanding common shares of the Company (the "**ASCU Shares**") (other than those ASCU Shares held by Acquirer and its affiliates), by way of a plan of arrangement under the *Business Corporations Act* (British Columbia), for total consideration equal to 0.242 of a common share of Hudbay (the "**Consideration**") (with each whole common share being a "**Hudbay Share**") for each ASCU Share (the "**Exchange Ratio**") (with such transaction as a whole being defined herein as the "**Arrangement**"). The Arrangement is subject to, among other things, the requisite approvals of holders of ASCU Shares ("**ASCU Shareholders**") which consist of the affirmative vote of at least (i) two-thirds of the votes cast by ASCU Shareholders; (ii) two-thirds of the votes cast by ASCU Shareholders and securityholders voting together as a single class; and (iii) a simple majority of the votes cast by ASCU Shareholders, excluding certain persons required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") of the Canadian Securities Administrators, in each case, at the special meeting of securityholders of ASCU (the "**ASCU Meeting**"). Origin also understands that ASCU is not required to obtain a formal valuation under MI 61-101 as no "interested party" (as defined in MI 61-101) is, as a consequence of the Arrangement, directly or indirectly acquiring ASCU or its business or combining with ASCU, whether alone or with joint actors, and there is no "connected transaction" that would qualify as a "related party transaction" (as defined in MI 61-101) for which ASCU would be required to obtain a formal valuation.

Origin further understands that the terms of the Arrangement Agreement, the Arrangement, this Opinion (as defined below) and certain related matters will be more fully described in a management information circular (the "**Circular**") which will be mailed to the ASCU Shareholders and securityholders in connection with the ASCU Meeting to be held to consider and, if deemed advisable, approve the Arrangement.

Engagement

Origin was initially contacted by ASCU's board of directors (the "**Board**") on February 21, 2026 and engaged by letter agreement dated February 23, 2026 (the "**Engagement Agreement**"). Pursuant to the Engagement Agreement, the Board engaged Origin to provide an opinion (this "**Opinion**") to the Board as to the fairness, from a financial point of view, of the Consideration to be received by ASCU Shareholders (other than the Acquirer and its affiliates) pursuant to the Arrangement. The Opinion is solely for the use of the Board and we understand that it will be one factor, among others, that they will consider in their evaluation of the Arrangement.

The Engagement Agreement provides that Origin will receive a fixed fee for rendering this Opinion. In addition, the Company has agreed to reimburse Origin for all reasonable legal and other out-of-pocket expenses and indemnify Origin and each of its subsidiaries and affiliates and each of their respective directors, officers, employees, partners, agents, shareholders, advisors and each partner and each principal of Origin from and against certain liabilities arising out of Origin's engagement under the Engagement Agreement. The compensation to Origin under the Engagement Agreement does not depend, in whole or in part, on the conclusions to be reached by it in this Opinion or the successful completion of the Arrangement. Accordingly, Origin does not have a material financial interest in the completion of the Arrangement.

The Board has not instructed Origin to prepare, and Origin has not prepared, a "formal valuation" (as such term is defined in, and for the purposes of MI 61-101) of the Company, and this Opinion should not be construed as such. Origin was not engaged to review any legal, tax or regulatory aspects of the Arrangement and this Opinion does not address any such matters. Origin has, however, conducted such analyses as it considered necessary in the circumstances to prepare and deliver this Opinion.

Credentials of Origin Merchant Partners

Origin is an investment bank providing a full range of corporate finance, merger and acquisition, financial restructuring and merchant banking services. This Opinion represents the opinion of Origin and the form and content hereof have been approved for release by a committee of its Managing Directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Independence of Origin Merchant Partners

Neither Origin nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company nor, to its knowledge, of any member of the Acquirer or any of their respective associates or affiliates (collectively, the "**Interested Parties**"). Origin is not acting as an advisor to the Company, or any other Interested Party, in connection with any matter other than to provide the Opinion under the Engagement Agreement.

Origin has not participated in any offering of securities of or had a material financial interest in a transaction involving the Company or any other Interested Party during the 24-month period preceding the date Origin was first contacted in respect of this Opinion. Further, other than to provide the Opinion to the Board under the Engagement Agreement, Origin has not been engaged to provide any financial advisory services involving the Company or any other Interested Party during such 24-month period.

As an investment bank, Origin and its affiliates may, in the ordinary course of its business, provide advice to its clients on various matters, which advice may include matters with respect to the Arrangement, the Company or any other Interested Party. There are no understandings, agreements or commitments between Origin and the Company or any other Interested Party with respect to any future financial advisory or investment banking business. The amount of the fees payable to us under the Engagement Agreement are not financially material to Origin.

Scope of Review

In arriving at its Opinion, Origin has reviewed, analyzed, considered and relied upon or carried out, among other things, the following:

1. The Company's press releases and other public documents filed by the Company on the System for Electronic Document Analysis and Retrieval+ ("**SEDAR+**") as of February 28, 2026, including the Annual Information Form dated March 27, 2025;
2. Filings made by insiders of the Company on the System for Electronic Disclosure by Insiders ("**SEDI**") as of February 28, 2026;
3. Hudbay's press releases and other public documents filed by Hudbay on SEDAR+ as of February 28, 2026 including the Annual Information Form dated March 26, 2025;
4. Filings made by insiders of Hudbay on SEDI as of February 28, 2026;
5. Audited consolidated financial statements of the Company for the years ended December 31, 2022, 2023 and 2024 and the related management's discussion and analysis;
6. Audited consolidated financial statements of Hudbay for the years ended December 31, 2023, 2024 and 2025 and the related management's discussion and analysis;
7. Public information relating to the business, operations, financial performance and stock trading history of selected public companies considered by Origin to be relevant;
8. Certain internal management forecasts, operating projections, models, estimates and budgets relating to ASCU and the Arrangement prepared by or on behalf of the Company;

9. ASCU's NI 43-101 Technical Report for the Cactus Mine Project with an issue date of November 17, 2025;
10. Drafts of the Arrangement Agreement and forms of support and voting agreements as of February 28, 2026;
11. Discussions with ASCU's management, Board and the Company's financial and legal advisors;
12. Selected reports published by equity research analysts at various firms and industry sources regarding the industry and other public entities, to the extent deemed relevant by Origin;
13. Materials in the Company's Onehub virtual data room as of February 28, 2026 titled "Project Financing";
14. Materials in the Company's Onehub virtual data room as of February 28, 2026 titled "JAG-FO" prepared to provide Origin with incremental Arrangement related documents;
15. A certificate dated March 1, 2026 addressed to Origin from certain officers of the Company, regarding the completeness and accuracy of certain information upon which this Opinion is based (the "**Management Representation Letter**"); and
16. Such other corporate, industry and financial market information, investigations and analyses as considered by Origin to be relevant in the circumstances.

Origin has not, to the best of its knowledge, been denied access by the Company to any information requested by us. Origin did not meet with the auditor of the Company and has assumed the accuracy and fair presentation of, and has relied upon, the audited consolidated financial statements of the Company and the reports of the auditor thereon.

Prior Valuations

The Company has represented to Origin that, among other things, it has no knowledge of any prior valuations (as defined in MI 61-101) of the Company in the past 24 months.

Assumptions and Limitations

This Opinion is subject to the assumptions, explanations, and limitations set forth below. Origin has relied upon, and has assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company, or its affiliates or management, or otherwise obtained by us pursuant to the Engagement Agreement, and our Opinion is conditional upon such completeness, accuracy and fair presentation.

We have also assumed, without limitation, that the Arrangement Agreement executed by the parties will be in substantially the form and substance of the draft provided to us; references to the Arrangement Agreement herein refer to the Arrangement Agreement dated March 1, 2026 without amendment, supplement or replacement; that all of the representations and warranties contained in the Arrangement Agreement are correct in all material respects as of the date hereof and will be correct in all material respects as of closing of the Arrangement; that the Arrangement will be completed in accordance with the terms of the Arrangement Agreement and all applicable laws; and that the Circular will satisfy all applicable legal requirements. As well, we have assumed, without limitation, that the Company and its affiliates will be in material compliance at all times with their respective material contracts and have no material undisclosed liabilities (contingent or otherwise) not reflected in the Company's financial statements; that no unanticipated tax or other material liabilities will result from the Arrangement or related transactions; and that all required consents and regulatory approvals will be obtained on terms not adverse to Hudbay nor the Company, or its affiliates or ASCU Shareholders.

Certain officers of the Company have represented to us in a Management Representation Letter, among other things, that the information, data and other materials provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, "**Information**"), were complete, correct and true in all material respects as at the date the Information was provided to us and that, since the date the Information was provided to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or

prospects of the Company or any of its affiliates and no material change has occurred in Information or any part thereof which would have, or would reasonably be expected to have, a material effect on this Opinion.

Except as expressly noted above under the heading "Scope of Review", we have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates. Subject to the exercise of our professional judgement, we have not attempted to verify independently any of the information concerning the Company or any of its affiliates (including the Information). As provided for in the Engagement Agreement, Origin has relied upon the completeness and accuracy of all of the financial and other information (including the Information), data, documents, advice, opinions, representations and other materials, whether in written, electronic or oral form, obtained by it from public sources (collectively, the "**Other Information**") and we have assumed the completeness, accuracy and fair presentation of the Other Information and that this Other Information did not omit to state any material fact necessary to be stated to make such Other Information not misleading in light of circumstances in which it was prepared. This Opinion is conditional upon the completeness, accuracy and fair presentation of such Other Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the Other Information. With respect to the financial forecasts, projections or estimates provided to Origin by management of the Company and used in the analysis supporting this Opinion, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments as to the matters covered thereby and which, in the opinion of the author, are (or were at the time of preparation and continue to be) reasonable in the circumstances. By rendering this Opinion we express no view as to the reasonableness of such forecasts, projections or estimates or the assumptions on which they are based.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters with respect to the Arrangement. This Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information and the Other Information and as they have been represented to Origin in discussions with management of the Company. In its analyses and in preparing this Opinion, Origin made numerous assumptions with respect to industry performance, current market conditions, general business and economic conditions, and other matters, many of which are beyond the control of Origin or any party involved in the Arrangement.

In providing this Opinion, Origin expresses no opinion as to the trading price or value of the ASCU Shares or Hudbay Shares following the announcement or completion of the Arrangement. This Opinion has been provided for the sole use and benefit of the Board in connection with, and for the purpose of, its consideration of the Arrangement and may not be used or relied upon by any other person or for any other purpose or quoted from or published without the prior written consent of Origin, provided that Origin consents to the inclusion of this Opinion in its entirety and a summary thereof (provided such summary is in a form acceptable to Origin) in the notice of meeting and the Circular to be mailed to ASCU Shareholders and securityholders in connection with seeking their approval of the Arrangement and to the filing thereof, as necessary, by the Company on SEDAR+ and with the securities commissions or similar securities regulatory authorities in Canada.

This Opinion does not constitute a recommendation to the Board or any ASCU Shareholder as to whether or not any such ASCU Shareholder should approve the Arrangement or vote their ASCU Shares in favour of the Arrangement. This Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to the Company, or the underlying business decision of the Company to effect the Arrangement. In considering the fairness of the Arrangement, from a financial point of view, to the ASCU Shareholders, Origin considered the Arrangement from the perspective of the ASCU Shareholders generally and did not consider the specific circumstances of any particular ASCU Shareholder, including such ASCU Shareholders' specific income tax considerations.

This Opinion is given as of the date hereof and Origin disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion which may come, or be brought, to the attention of Origin after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting this Opinion after the date hereof, including, without limitation, the terms and conditions of the Arrangement,

or if Origin learns that the Information relied upon in rendering this Opinion was inaccurate, incomplete or misleading in any material respect, Origin reserves the right to amend, supplement or withdraw this Opinion.

Origin believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Opinion. The preparation of an Opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do the latter could lead to undue emphasis on any particular factor or analysis. This Opinion should be read in its entirety.

Overview of ASCU

ASCU is a copper exploration and development company that indirectly, through two wholly-owned subsidiaries, holds a 100% interest in the brownfield Cactus Project (the "**Project**"). The Project hosts a large-scale porphyry copper resource located on privately held and State lands approximately 70 km south of Phoenix Sky Harbor International Airport and just outside the city of Casa Grande, Arizona. A portion of the Project's current land package was previously owned and operated by ASARCO as the Sacaton Mine from 1972 to 1984 (the "**Historic Sacaton Property**"). Following the cessation of mining operations, the Historic Sacaton Property remained under ASARCO ownership and was subsequently held by the ASARCO Trust. ASCU acquired the Historic Sacaton Property from the ASARCO Trust in July 2020. The Project has since purchased additional properties, significantly increasing the size of its land package and areas of mineralization comprising the Project. A 2025 preliminary feasibility study outlines the development of an open pit copper mine and solvent extraction and electrowinning plant. The Project is currently being advanced through a State-led permitting process and benefits from existing on-site, local and regional infrastructure, including nearby highways and rail access, as well as permitted on-site water access. ASCU's stated objective is to advance the Project toward development and ultimately become a mid-tier copper producer. ASCU Shares trade on the Toronto Stock Exchange (the "**TSX**") under the symbol "ASCU" and on the OTCQX Best Market under the symbol "ASCUF".

Overview of Hudbay

Hudbay is a copper-focused mining company with operating assets and development projects located in Canada, Peru and the United States. Hudbay's current operations include the Constancia mine in Cusco, Peru, the Snow Lake operations in Manitoba, Canada, and the Copper Mountain mine in British Columbia, Canada. Copper represents Hudbay's primary product, with additional production of gold and by-product zinc, silver and molybdenum. Hudbay's development portfolio includes the Copper World project in Arizona, which is located within reasonable driving distance, largely on interstate highways, to the Cactus Project and is expected to offer potential development and operating synergies, including shared infrastructure, regional expertise and a common operating platform, the Mason project in Nevada, the Llaguen project in La Libertad, Peru, as well as various expansion and exploration opportunities near its existing operations. Hudbay's common shares trade on the TSX, the New York Stock Exchange (the "**NYSE**") and Bolsa de Valores de Lima under the symbol "HBM".

Fairness Considerations

Pursuant to the Arrangement Agreement, the Consideration to be received by ASCU Shareholders is equal to 0.242 of a Hudbay Share, which represents an implied value of $9.35 per ASCU Share[1] based on the unaffected Hudbay Share price as of February 27, 2026, of $38.65 (the "**Notional Offer Price**"). The Exchange Ratio is fixed and, as such, ASCU Shareholders (other than the Acquirer and its affiliates) are anticipated to own approximately 10.7% of the pro forma combined company (based on fully diluted shares outstanding), while Hudbay Shareholders are anticipated to own the remaining approximately 89.3% of the pro forma combined company (based on fully diluted shares outstanding). In considering the fairness, from a financial point of view, of the Consideration to be received by the ASCU Shareholders (other than the Acquirer and its affiliates) pursuant to the Arrangement, Origin relied upon the methodologies presented herein, as well as the assumptions, explanations and limitations set forth herein, to determine a range of values for each of the ASCU Shares and the Hudbay Shares. Origin compared the range of values

[1] Calculated by multiplying Hudbay Shares' closing price on February 27, 2026 by the Exchange Ratio (0.242).

of the ASCU Shares with the Notional Offer Price. In addition, as the Consideration to be received by ASCU Shareholders would be entirely in Hudbay Shares, Origin also compared the value range of Hudbay Shares with their current trading price per share[2].

As part of the analyses and investigations carried out in the preparation of the Opinion, Origin reviewed and considered the items outlined under "Scope of Review". In the context of the Opinion, Origin has considered the following principal methodologies (as each such term is defined below):

a) Net Asset Value Analysis
b) Precedent Transaction Analysis
c) Comparable Trading Analysis

Net Asset Value Analysis

Origin performed a net asset value ("**NAV**") analysis of the Company. This intrinsic valuation analysis considers the amount, timing and relative certainty of attributable projected, unlevered, after-tax free cash flows expected to be generated by ASCU. Origin used the base case forecast ("**Base Case**") provided by ASCU's management to value the mining assets, corporate overhead costs, and financial assets and liabilities to calculate the Company's fully diluted corporate NAV per share ("**NAV/PS**"). In performing its analysis, Origin relied on the financial model prepared by ASCU's management, with certain adjustments made by Origin, including (i) applying consensus equity research analysts' estimates ("**Consensus Estimates**") for near-term copper prices and evaluating the Project under both management and consensus long-term copper price assumptions and (ii) applying certain increases Origin deemed appropriate in the circumstances to operating and capital cost assumptions based on discussions with ASCU management to reflect the inherent estimation uncertainty associated with preliminary feasibility study ("**PFS**") level project economics and the potential for cost escalation as the Project advances toward feasibility and construction and other inflationary effects generally. ASCU management confirmed the reasonableness of these adjustments for the purposes of Origin's analysis. Management of ASCU provided projections for the Project which included estimates regarding future production levels, unadjusted operating costs, unadjusted capital costs, depreciation rates and tax rates.

This valuation methodology required assumptions to be made regarding future commodity prices, future foreign exchange rates, future cash flows and discount rates. As such, Origin compiled a summary of commodity and foreign exchange prices used by equity research analysts to determine consensus forecast pricing for the period from 2026 to 2030, along with equity research analysts' expected long-term commodity prices used throughout the forecast period. Origin also performed a weighted average cost of capital ("**WACC**") build-up to assess an appropriate discount rate for the Company, taking into account market-based inputs including the risk-free rate, equity risk premium, beta assumptions and a company-specific risk premium reflective of the Project's development stage. Based on this analysis, Origin selected a discount rate range of 10.0% – 11.0% to apply to the projected, attributable, unlevered, after-tax free cash flows. We believe this range reflects (i) the risk inherent in ASCU based on current market conditions and the copper market environment and (ii) discount rates utilized by equity research analysts and other financial and industry participants in evaluating mining assets of a similar nature. Origin valued exploration assets not captured in the Base Case forecast based on an in-situ resource methodology, applying a multiple of US$0.038/lb CuEq to measured and indicated mineral resources derived from exploration drilling and modelling, which falls within the range of multiples utilized by equity research analysts in valuing copper exploration assets. Given the expected longer-dated nature of the potential development of such mineral resources, the resulting in-situ value was discounted to present value to reflect timing considerations.

[2] Hudbay Shares' closing price on February 27, 2026 was $38.65.

Table 1: Key Assumptions for ASCU NAV Analysis

Commodity Pricing[3]	Consensus Copper Pricing (US$/lb) 2026 : $5.40 2027 : $5.30 2028 : $5.25 2029 : $5.25 2030 : $5.10 2031+: $4.75
Discount Rate[4]	10% - 11% for copper development assets & corporate G&A
Exploration Assets Value[5]	US$0.038/lb CuEq applied to measured and indicated unmodeled mineral resources, discounted to present value to reflect the longer-dated nature of potential development

Summary of ASCU NAV Analysis

To determine an ASCU NAV/PS, Origin relied on the internal financial model for the Project provided by ASCU management. Projected attributable unlevered, after-tax free cash flows under the Base Case were based on management's assumptions regarding production levels, operating costs and capital costs. Origin applied Consensus Estimates for near-term metal prices and evaluated the Project under two long-term copper price scenarios: (i) management's long-term copper price assumption (US$4.25/lb) and (ii) long-term consensus copper price estimates (US$4.75/lb). Origin also incorporated certain adjustments to operating and capital cost assumptions to reflect the inherent estimation uncertainty associated with PFS-level project economics and the potential for cost escalation as the Project advances toward feasibility and construction. Projected cash flows were discounted using a discount rate range of 10.0% to 11.0%.

Based on the analysis described above, Origin determined a NAV range of $7.33 to $11.79 per ASCU Share, with a midpoint of $9.56 per ASCU Share under the Base Case forecast.

Precedent Transactions Analysis

Origin reviewed publicly available information on selected acquisition transactions involving base metal developers with an emphasis on copper development companies. Origin reviewed the share price to NAV per share ("**P/NAV**") multiples based on consensus NAV at the time of each transaction, among other metrics and multiples, observable in previous transactions involving copper development companies in North America and other geographies, since 2014.

Origin considered each of these transactions and the merits of the targets relative to ASCU including:

a) The development stage of the asset(s) at announcement;
b) The size of the transaction;
c) Estimated mineral reserves;
d) Forecast operating and financial performance; and
e) Geographic diversification and exposure to various regulatory regimes.

[3] Based on the average of the Consensus Estimates
[4] Consistent with the discount rates used by equity research analysts when valuing copper development companies
[5] Consistent with equity research analysts' valuation of copper exploration assets

Table 2: ASCU Set of Precedent Transactions

Date	Target	Acquirer
December 2025	SolGold Plc	Jiangxi Copper
December 2025	Alta Copper Corp.	Fortescue
June 2025	New World Resources	Kinterra Capital
July 2024	Filo Corp	BHP & Lunding Mining (50/50)
December 2021	Josemaria Resources	Lundin Mining Corporation
September 2018	Nevsun	Zijin
July 2018	Arizona Mining	South32
November 2017	Altona Mining	Copper Mountain
June 2016	Reservoir Minerals Inc.	Nevsun Resources Ltd
August 2014	Lumina Copper Corp	First Quantum
June 2014	Augusta Resource Corp	Hudbay

The following table outlines the range of observed transaction multiples for the set of precedent transactions selected by Origin:

Table 3: Precedent Transactions Multiple Summary

Precedent Transactions	Multiple Observed
Avg. P / NAV	0.50x
Avg. P / NAV (excluding high/low)	0.49x
High	0.95x
Low	0.10x

Summary of Precedent Transactions Analysis

Based on the analysis described above, Origin applied a range of P/NAV multiples of 0.3x to 0.7x to (i) ASCU's NAV/PS as implied by Origin's NAV analysis under long-term consensus copper pricing and a 10.0% discount rate and (ii) Consensus Estimates of ASCU's NAV/PS. The selected range reflects the interquartile range of observed P/NAV trading multiples for comparable copper development and exploration companies. This methodology resulted in the following implied value ranges for the ASCU Shares:

Table 4: Precedent Transactions Implied Share Price Summary

Metric	ASCU
P / NAV (Base Case)	$3.54 - $8.25
P / NAV (Consensus)	$2.92 - $6.82

Origin did not apply a range of P/NAV multiples to Hudbay's NAV/PS as Hudbay is not undergoing a change of control.

Comparable Trading Analysis

ASCU

Origin reviewed publicly available information regarding comparable North American and international copper development mining companies to determine P/NAV multiples on a one-year forecast basis as at February 27, 2026.

While there are several North American publicly-traded companies that are of similar size and mineral focus as ASCU, Origin also reviewed the trading metrics of copper development mining companies outside of North America to develop a comprehensive set of copper development mining companies. None of the companies in the comparable company set are identical to ASCU. Accordingly, an analysis derived from the multiples of P/NAV requires complex considerations and judgements concerning the similarities between the set of comparable companies and ASCU as well as other qualitative and quantitative factors that may affect such multiples.

Table 5: ASCU Set of Comparable Companies

Select Copper Developers	
1. Aldebaran Resources Inc.	7. NGEx Minerals Ltd.
2. ATEX Resources Inc.	8. Northern Dynasty Minerals Ltd.
3. Copper Fox Metals Inc.	9. NorthIsle Copper and Gold Inc.
4. Faraday Copper Corp.	10. Trilogy Metals Inc.
5. Ivanhoe Electric Inc.	11. Western Copper and Gold Corporation
6. Marimaca Copper Corp.	

P/NAV is the most commonly used valuation methodology employed by equity research analysts and other financial and industry participants in evaluating assets of this nature and in determining the value per share of copper development mining companies. Using the P/NAV approach, Origin applied a range of P/NAV multiples to (i) ASCU's NAV/PS as implied by Origin's NAV analysis under long-term consensus copper pricing and a 10.0% discount rate, and (ii) Consensus Estimates of ASCU's NAV/PS.

The following table outlines the range of observed trading multiples for the set of comparable companies selected for ASCU:

Table 6: ASCU Comparable Companies Multiple Summary

Comparable Companies	Multiple Observed
Avg. P / NAV	0.62x
Avg. P / NAV (excluding high/low)	0.62x
High	0.98x
Low	0.32x

Summary of ASCU Comparable Companies Analysis

Based on the observed P/NAV trading multiples for the comparable companies, Origin applied an interquartile range of 0.5x to 0.8x to ASCU's NAV/PS derived from the ASCU NAV analysis above and to Consensus Estimates of ASCU's NAV/PS as at February 27, 2026. This methodology resulted in the following implied value ranges for the ASCU Shares:

Table 7: ASCU Implied Share Price Summary

Comparable Companies	ASCU
P / NAV (Base Case)	$5.89 - $9.43
P / NAV (Consensus)	$4.87 - $7.80

Hudbay

Origin reviewed publicly available information on comparable North American and international copper producing mining companies to determine P/NAV and price to cashflow ("**P/CF**") multiples on a one-year forecast basis as at February 27, 2026.

While there are several Canadian publicly traded companies that are of similar size and mineral focus as Hudbay, Origin also reviewed the trading metrics of mining companies outside of Canada to develop a comprehensive set of intermediate base metal mining producers with an emphasis on copper. None of the companies in the comparable company set are identical to Hudbay. Accordingly, an analysis derived from the multiples of P/NAV and P/CF requires complex considerations and judgements concerning the similarities between the set of comparable companies and Hudbay as well as other qualitative and quantitative factors that may affect such multiples.

Table 8: Hudbay Set of Comparable Companies

Select Copper Producers	
1. Antofagasta plc	7. Lundin Mining Corporation
2. Atalaya Mining Copper, S.A.	8. Sandfire Resources Limited
3. Capstone Copper Corp.	9. South32 Limited
4. Ero Copper Corp.	10. Taseko Mines Limited
5. First Quantum Minerals Ltd.	11. 29Metals Limited
6. Ivanhoe Mines Ltd.	

P/NAV and P/CF are commonly used valuation methodologies employed by equity research analysts and other financial and industry participants in evaluating producing mining assets and determining the value per share of base metals mining companies. Using the P/NAV approach, Origin applied a range of P/NAV multiples to Hudbay's NAV/PS, derived from Consensus Estimates of Hudbay's NAV/PS. Using the P/CF approach, Origin applied a range of P/CF multiples to Hudbay's estimated 2026 operating cash flow per share, based on Consensus Estimates of Hudbay's 2026E operating cash flow per Hudbay Share.

The following table outlines the range of observed trading multiples for the set of comparable companies selected for Hudbay:

Table 9: Hudbay Comparable Companies Multiple Summary

Comparable Companies	P / NAV	P / 2026E CF
Avg. Multiple	1.27x	9.77x
Avg. Multiple (excluding high/low)	1.18x	9.28x
High	2.39x	15.32x
Low	0.98x	4.53x

Summary of Hudbay Comparable Companies Analysis

Based on the range of observed P/NAV and P/CF multiples, Origin applied an interquartile range of P/NAV multiples of 1.0x to 1.4x to Hudbay's NAV/PS, derived from Consensus Estimates of Hudbay's NAV/PS as at February 27, 2026, and an interquartile range of P/CF multiples of 7.1x to 14.5x to Hudbay's 2026E operating cash flow per share, based on Consensus Estimates. This methodology resulted in the following implied value ranges for the Hudbay Shares:

Table 10: Hudbay Implied Share Price Summary

Comparable Companies	Hudbay
P / NAV (Consensus)	$25.44 - $35.61
P / 2026E CF (Consensus)	$26.58 - $54.28

Hudbay's common shares closed at $38.65 on February 27, 2026. During the 60 trading days prior to that date, the shares recorded an average daily trading volume in excess of 1.8 million shares.

Other Considerations

Although not part of our principal methodologies, Origin considered several other benchmarks, analyses, techniques and factors in arriving at the Opinion including, but not limited to:

- Recent premiums paid on copper development companies change of control transactions in the last 24 months, which range from 12% to 72% with an average of 39%, based on the spot price prior to announcement. The Notional Offer Price represents a 30% premium to the spot price of ASCU as of market close on February 27, 2026;
- The historical trading prices and relative share price performance of the (i) ASCU Shares on the TSX and (ii) the Hudbay Shares on both the TSX and NYSE, respectively;
- The implied historical exchange ratios based upon the trading prices of ASCU Shares and Hudbay Shares during the 52-week period ending on and including February 27, 2026;
- The range of equity research analysts' share price targets for each of ASCU Shares and Hudbay Shares, respectively, as of the close of markets on February 27, 2026; and
- Such other factors or analyses, which we have judged, based on the exercise of our professional judgement and our experience in rendering such opinions, to be relevant.

Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, Origin is of the opinion that, as at the date hereof, the Consideration to be received by ASCU Shareholders pursuant to the Arrangement is fair, from a financial point of view, to ASCU Shareholders (other than the Acquirer and its affiliates).

Yours very truly,

Origin Merchant Partners

Origin Merchant Partners

APPENDIX "E"
FINANCIAL ADVISOR FAIRNESS OPINION

See attached.

Scotiabank
GLOBAL BANKING AND MARKETS

Scotia Capital Inc.
Global Corporate & Investment Banking
40 Temperance Street, 6th Floor
Toronto, ON M5H 0B4

March 1, 2026

The Board of Directors
Arizona Sonoran Copper Company Inc.
372 Bay Street, Suite 1800
Toronto, Ontario
M5H 2W9

To the Board of Directors

Scotia Capital Inc. ("Scotia Capital", "we", "us" or "our") understand that Arizona Sonoran Copper Company Inc. (the "Company") and Hudbay Minerals Inc. (the "Acquirer") propose to enter into an agreement to be dated March 1, 2026 (the "Arrangement Agreement"), pursuant to which, among other things, the Acquirer will acquire all of the outstanding common shares (the "Shares") of the Company (other than any Shares owned by the Acquirer and its affiliates) pursuant to an arrangement (the "Arrangement") under the *Business Corporations Act* (British Columbia). Under the terms of the Arrangement, holders of the Shares to be acquired (each, a "Shareholder") will be entitled to receive 0.242 newly issued common shares of the Acquirer for each Share held (the "Consideration"). The terms and conditions of the Arrangement Agreement will be more fully described in a management information circular (the "Circular") which will be mailed to the securityholders of the Company in connection with the Arrangement.

We have been retained to provide financial advice and assistance to the Company in evaluating the Arrangement, including providing our opinion (the "Opinion") to the board of directors of the Company (the "Board of Directors") as to the fairness, from a financial point of view, of the Consideration to be received pursuant to the Arrangement by the Shareholders other than the Acquirer and its affiliates.

Engagement of Scotia Capital

The Company initially contacted Scotia Capital regarding a potential advisory assignment in October 2023. Scotia Capital was formally engaged by the Company pursuant to an engagement letter dated November 28, 2023 (the "Engagement Letter"). Under the terms of the Engagement Letter, the Company has agreed to pay Scotia Capital a fee for its services as financial advisor, including a fixed fee for rendering the Opinion. The fees that Scotia Capital will receive for its advisory services (excluding the fixed fee for rendering the Opinion) are contingent upon the completion of the Arrangement Agreement. In addition, Scotia Capital is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances.

Subject to the terms of the Engagement Letter, Scotia Capital consents to the inclusion of the Opinion in its entirety and a summary thereof in the Circular and to the filing of the Opinion, as part of the Circular, by the Company, as necessary, with the applicable securities commissions, stock exchanges and other similar regulatory authorities in Canada.

Credentials of Scotia Capital

Scotia Capital represents the global corporate and investment banking and capital markets business of Scotiabank Group ("Scotiabank"), one of North America's premier financial institutions. In Canada, Scotia Capital is one of the country's largest investment banking firms with operations in all facets of corporate and

government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. Scotia Capital has participated in a significant number of transactions involving private and public companies and has extensive experience in preparing fairness opinions.

The Opinion expressed herein represents the opinion of Scotia Capital. The form and content of the Opinion have been approved for release by a committee of senior investment banking professionals of Scotia Capital, each of whom is experienced in merger, acquisition, divestiture, fairness opinion and valuation matters.

Relationship with Interested Parties

Neither Scotia Capital nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Company, the Acquirer or any of their respective associates or affiliates (collectively, the "Interested Parties"). Neither Scotia Capital nor any of its affiliates has been engaged to provide any financial advisory services, nor has Scotia Capital or any of its affiliates participated in any financing, involving the Interested Parties within the past two years, other than pursuant to the Engagement Letter and as described herein.

In the past two years, Scotia Capital and affiliates of Scotia Capital have been engaged in the following capacities for the Interested Parties: (i) acted as financial advisor to the Company in connection with a C$19.9 million private placement of Shares to the Acquirer; (ii) acted as co-manager on the Company's C$86 million offering of Shares; (iii) acted as sole underwriter on the sale of 17.5 million Shares by Tembo Capital; (iv) acted as sole bookrunner on the Company's C$52 million offering of Shares; (v) acted as co-manager on the Company's C$35 million offering of Shares; (vi) provided cash management services and foreign exchange services to the Company; (vii) acted as co-lead manager on the Acquirer's C$550 million offering of common shares; (viii) acted as underwriter for the Acquirer in respect of certain non-material private placement financings; (ix) acted as co-lead arranger, co-syndication agent and joint bookrunner on the Acquirer's US$300 million syndicated revolving credit facility; (x) acted as co-lead arranger, co-syndication agent and joint bookrunner on the Acquirer's US$150 million syndicated revolving credit facility; and (xi) provided general banking services to the Acquirer, including cash management, letters of credit and lease facilities.

There are no understandings, agreements or commitments between Scotia Capital and the Interested Parties with respect to any future business dealings. Scotia Capital may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Interested Parties. In addition, the Bank of Nova Scotia ("BNS"), of which Scotia Capital is a wholly-owned subsidiary, or one or more affiliates of BNS, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

Scotia Capital acts as a trader and dealer, both as principal and agent, in the financial markets in Canada, the United States and elsewhere and, as such, it and Scotiabank may have had and may have positions in the securities of the Interested Parties from time to time and may have executed or may execute transactions on behalf of such companies or clients for which it receives compensation. As an investment dealer, Scotia Capital conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the Interested Parties, or with respect to the Arrangement.

Scope of Review

In preparing the Opinion, we have reviewed, considered and relied upon, among other things, the following:

1. a draft of the Arrangement Agreement dated February 28, 2026;

2. a draft of the support and voting agreement (the "Support Agreement") with certain of the directors and senior officers of the Company dated February 24, 2026;

3. audited annual consolidated financial statements of the Company and management's discussion and analysis related thereto for the fiscal years ended December 31, 2023 and 2024;

4. unaudited interim condensed consolidated financial statements of the Company and management's discussion and analysis related thereto for the three- and nine-month periods ended September 30, 2025;

5. audited annual consolidated financial statements of the Acquirer and management's discussion and analysis related thereto for the fiscal years ended December 31, 2024 and 2025;

6. the notice of annual meeting of the shareholders and the management information circular of the Company for the meeting dated June 17, 2025;

7. the notice of annual and special meeting of the shareholders and the management information circular of the Acquirer for the meeting dated May 20, 2025;

8. certain other securities regulatory filings for each of the Company and the Acquirer for the fiscal years ended December 31, 2024 and 2025;

9. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the Company;

10. internal financial, operating and corporate information or reports of the Company;

11. discussions with senior management of the Company with respect to various risks related to its key development project, the Acquirer's mining and development projects, the Company's and the Acquirer's long-term prospects, and other issues and matters considered by us to be relevant;

12. receiving a presentation from management of the Acquirer with respect to matters including the Acquirer's mining and development projects and its long-term prospects, and participating in a diligence question and answer session with the Acquirer's management;

13. public information relating to the business, operations, financial performance and stock trading history of the Company, the Acquirer, and other selected public companies considered by us to be relevant;

14. public information with respect to other transactions of a comparable nature considered by us to be relevant;

15. third party expert reports, such as technical reports relating to the Company and the Acquirer;

16. reports published by equity research analysts and industry sources we considered relevant;

17. historical market prices and trading activity for the Shares and the shares of the Acquirer;

18. representations contained in a certificate addressed to Scotia Capital, dated as of the date hereof, from senior officers of the Company as to the completeness, accuracy and fair presentation of the information upon which the Opinion is based; and

19. such other corporate, industry and financial market information, investigations and analyses as Scotia Capital considered necessary or appropriate in the circumstances.

Scotia Capital has not, to the best of its knowledge, been denied access by the Company to any information requested by Scotia Capital.

Assumptions and Limitations

The Opinion is subject to the assumptions, qualifications and limitations set forth below.

We have relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, documents, opinions, appraisals, valuations and representations obtained by us from public sources, or that was provided to us, by the Company, and its associates and affiliates and advisors (collectively, the "Information"). The Opinion is conditional upon the completeness, accuracy and fair presentation of the Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the completeness, accuracy or fair presentation of the Information.

We are not legal, regulatory, accounting or tax experts and have relied on the assessments made by the Company and its advisors with respect to such matters. We have assumed the accuracy and fair presentation of, and relied upon the Company's audited consolidated financial statements and the reports of the auditors thereon and the Company's interim unaudited condensed consolidated financial statements. We have assumed that forecasts, projections, estimates and budgets provided to us and used in the analysis supporting the Opinion, were reasonably prepared on bases reflecting the best currently available estimates and judgments of management of the Company as to the matters covered thereby.

Senior officers of the Company have represented to Scotia Capital in a certificate delivered as at the date hereof, among other things (a) the Company has no information or knowledge of any facts public or otherwise not specifically provided to Scotia Capital relating to the Company or any of its subsidiaries which could reasonably be expected to affect the Opinion in any material respect; (b) with the exception of budgets, forecasts, projections or estimates referred to in (d), below, the Information provided to Scotia Capital by or on behalf of the Company or its subsidiaries in respect of the Company and its subsidiaries, in connection with the Opinion is or, in the case of historical information or data, was, at the date of preparation, true and accurate in all material respects, and no information or data has been omitted that would be required to make the Information not misleading in light of circumstances in which it was prepared; (c) to the extent that any of the Information identified in (b), above, is historical, there have been no changes in material facts or new material facts since the respective dates thereof which have not been disclosed to Scotia Capital or updated by more current Information that has been disclosed, any of which is of a nature as to render any portion of the Information untrue or misleading in any material respect or which would reasonably be expected to have a material effect on the Opinion; and (d) any portions of the Information provided to Scotia Capital which constitute budgets, forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of management of the Company, are (or were at the time of preparation and continue to be, or have been subsequently revised to be) reasonable in the circumstances and are not, in the reasonable belief of management of the Company, misleading in any material respect in light of the assumptions made therein.

In preparing the Opinion, Scotia Capital made several assumptions, including that the final executed version of the Arrangement Agreement will not differ in any material respect to the most recent draft thereof reviewed by us, and that the Arrangement will be consummated in accordance with the terms set forth in the Arrangement Agreement without any waiver or amendment of any terms or conditions. In addition, we have assumed that the conditions precedent to the completion of the Arrangement can be satisfied in due course, all consents, permissions, exemptions or orders of relevant third parties or regulatory authorities will be obtained without adverse condition or qualification, and the procedures being followed to implement the Arrangement are valid and effective.

The Opinion is rendered on the basis of the securities markets and economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to Scotia Capital in discussions with management of the Company and its representatives. In its analyses and in preparing the Opinion, Scotia Capital made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Scotia Capital or any party involved in the Arrangement.

The Opinion has been provided for the sole use and benefit of the Board of Directors in connection with, and for the purpose of, its consideration of the Arrangement and may not be used or relied upon by any other person. Our Opinion was not intended to be, and does not constitute, a recommendation to the Board of Directors as to whether they should approve the Arrangement or to any shareholder of the Company as to how such shareholder should vote or act with respect to the Arrangement or its Shares. The Opinion does not address in any manner the prices at which the Company's or the Acquirer's securities will trade at any time. The Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to the Company or the Company's underlying business decision to effect the Arrangement.

Except for the inclusion of the Opinion in its entirety and a summary thereof in a form acceptable to Scotia Capital in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent. We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or any of its affiliates, and the Opinion should not be construed as such. The Opinion is given as of the date hereof, and Scotia Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Scotia Capital after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Scotia Capital reserves the right to change, modify or withdraw the Opinion.

In connection with the Opinion, Scotia Capital has performed a variety of financial and comparative analyses, including relating to the historical share price trading of the Company's shares, an analysis of precedent transactions, an analysis of comparable trading, a review of the Company's net asset value and other qualitative factors. In arriving at the Opinion, Scotia Capital has not attributed any particular weight to any specific analysis or factor, but rather has made qualitative judgments based on its experience in rendering such opinions and on the circumstances and information as a whole.

This Opinion has been prepared in accordance with the disclosure standards for fairness opinions of CIRO, but CIRO has not been involved in the preparation or review of this Opinion.

Conclusion

Based upon and subject to the foregoing, Scotia Capital is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders other than the Acquirer and its affiliates.

Yours very truly,

Scotia Capital Inc.

SCOTIA CAPITAL INC.

APPENDIX "F"
INFORMATION CONCERNING HUDBAY

Notice to Reader

The following information provided by Hudbay is presented on a pre-Arrangement basis (except where otherwise indicated) and reflects the current business, financial and share capital position of Hudbay. This information has been provided by Hudbay and is the sole responsibility of Hudbay and should be read in conjunction with the documents incorporated by reference into this Appendix "F" – *"Information Concerning Hudbay*" and the information concerning Hudbay appearing elsewhere in this Circular. The Company does not assume any responsibility for the accuracy or completeness of such information.

Forward-Looking Statements

Certain statements contained in this Appendix "F" – *"Information Concerning Hudbay*", and in the documents incorporated by reference herein, constitute forward-looking statements and forward-looking information (collectively referred to as "**forward-looking statements**") within the meaning of applicable Securities Laws. Such forward-looking statements relate to future events or Hudbay's future performance. See "*Management Information Circular – Cautionary Statement Regarding Forward Looking Statements*" in this Circular and "*Caution Regarding Forward-Looking Information*" in the Hudbay AIF (as defined below), which is incorporated by reference in this Circular. Readers should also carefully consider the matters and cautionary statements discussed under the heading "*Risk Factors*" in this Circular, under "*Information Concerning Hudbay – Risk Factors*" below and under the heading "*Risk Factors*" in the Hudbay AIF, which is incorporated by reference in this Circular.

Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada and filed with, or furnished to, the SEC in the United States. Copies of the Hudbay documents incorporated herein by reference may be obtained on request without charge by contacting Hudbay's Corporate Secretary by telephone at (416) 362-2335 or by email at info@hudbay.com. In addition, copies of the Hudbay documents incorporated herein by reference may be obtained by accessing the disclosure documents available on Hudbay's profile on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov. Hudbay's filings through SEDAR+ and EDGAR are not incorporated by reference in this Circular except as specifically set out herein.

The following documents of Hudbay are filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada and filed with, or furnished to, the SEC in the United States and are specifically incorporated by reference into and form an integral part of this Circular:

(a) annual information form for the year ended December 31, 2025, dated March 26, 2026 (the "**Hudbay AIF**");
(b) audited consolidated annual financial statements for the years ended December 31, 2025 and 2024 (the "**Hudbay Annual Financial Statements**");
(c) management's discussion and analysis for the year ended December 31, 2025 (the "**Hudbay Annual MD&A**");
(d) management information circular dated April 7, 2025, relating to the annual and special meeting of Hudbay shareholders held on May 20, 2025; and
(e) the material change report of Hudbay dated March 6, 2026 relating to the execution of the Arrangement Agreement.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditor's report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms, marketing materials and business acquisition reports, and any other document which indicates on the cover page thereof that it is incorporated by reference in this Circular, that is filed by Hudbay with Canadian securities regulators on SEDAR+ at www.sedarplus.ca after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular. All such documents will also be filed with or furnished to the SEC by Hudbay and will be available under Hudbay's issuer profile on EDGAR at www.sec.gov.

Any statement contained in this Circular or in any other document incorporated or deemed to be incorporated by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which is deemed to be incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular except as so modified or superseded.

Non-GAAP Measures

In certain documents incorporated by reference into this Appendix "F" – *"Information Concerning Hudbay",* there are references to certain non-GAAP financial performance measures. These are not recognized measures under IFRS Accounting Standards, as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") and may not be comparable to similar measures reported by other copper mining companies. Readers are cautioned not to consider these non-GAAP financial performance measures as an alternative to, or more meaningful than measures of financial performance as determined in accordance with IFRS Accounting Standards. Readers are further cautioned not to place undue reliance on any one financial measure.

For more information, see the documents incorporated by reference in this Circular under the heading "*Documents Incorporated by Reference*" above (including any documents filed by Hudbay with Canadian securities regulators on SEDAR+ at www.sedarplus.ca after the date of this Circular and before the Company Meeting that are deemed to be incorporated by reference into this Circular). In particular, for a description and reconciliation of each of the non-GAAP financial performance measures referenced in the documents incorporated by reference in this Circular, please see "*Non-GAAP Financial Performance Measures*" in the Hudbay Annual MD&A.

Overview

Hudbay was 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 its name to Pan American Resources Inc. On March 12, 2002, Hudbay acquired ONTZINC Corporation, a private Ontario corporation, through a reverse takeover and changed its name to ONTZINC Corporation. On December 21, 2004, Hudbay acquired Hudson Bay Mining and Smelting Co., Limited ("**HBMS**") and changed its name to HudBay Minerals Inc. In connection with the acquisition of HBMS, on December 21, 2004, Hudbay amended its articles to consolidate its common shares on a 30 to 1 basis. On October 25, 2005, Hudbay continued under the CBCA.

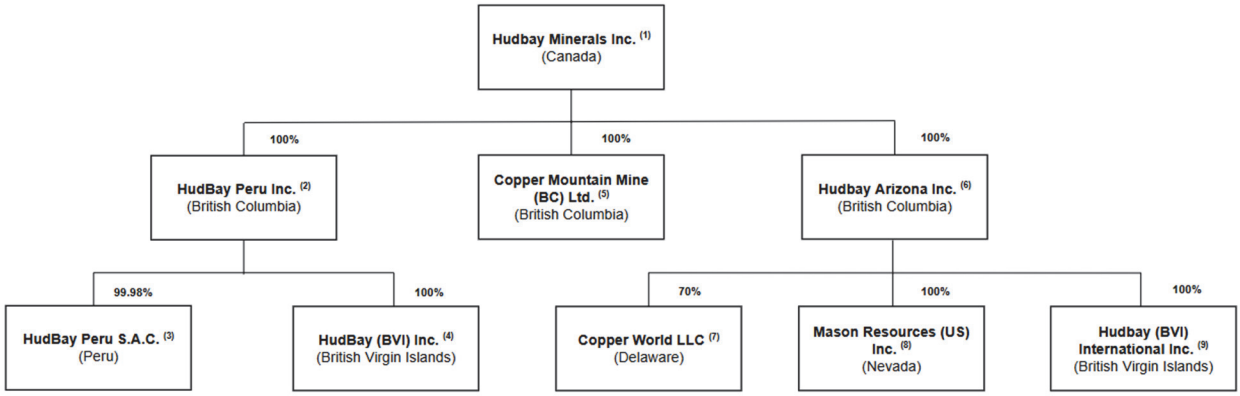
On August 15, 2011, Hudbay completed a vertical short-form amalgamation under the CBCA with its subsidiary, HMI Nickel Inc. On January 1, 2017, Hudbay completed a vertical short-form amalgamation under the CBCA with two of its subsidiaries (HBMS and Hudson Bay Exploration and Development Company Limited)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

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

Hudbay's common shares are listed on the TSX, the NYSE and Bolsa de Valores de Lima under the symbol "HBM".

Corporate Structure

The following chart shows Hudbay's principal subsidiaries as at March 26, 2026 (being the date of the Hudbay AIF), their jurisdiction of incorporation and the percentage of voting securities beneficially owned by Hudbay or over which Hudbay has control or direction.



Notes:

(1) Hudbay Minerals Inc. owns Hudbay's mining operations in Manitoba, is the borrower under Hudbay's Canadian revolving credit facility, the issuer of Hudbay's 2029 Notes and a guarantor of Hudbay's Peruvian revolving credit 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., Hudbay's wholly-owned subsidiary. HudBay Peru Inc. is a guarantor of Hudbay's Canadian revolving credit facility, Hudbay's Peruvian revolving credit facility and Hudbay's 2029 Notes.

(3) Hudbay Peru owns the Constancia mine and certain exploration properties in Peru, is the borrower under Hudbay's Peruvian revolving credit facility and is a guarantor of Hudbay's Canadian revolving credit facility and Hudbay's 2029 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. owns the Copper Mountain mine in British Columbia.

(6) Hudbay Arizona Inc., through its subsidiaries, indirectly owns 70% of Copper World LLC and 100% of Mason Resources (US) Inc. ("**Mason US**"). The remaining 30% interest in Copper World, Inc. is owned by Mitsubishi Corporation.

(7) Copper World LLC, a Delaware entity, (formerly known as Copper World, Inc., an Arizona entity) owns the Copper World project in Arizona. MC Americas Resources, a wholly owned subsidiary of Mitsubishi Corporation, acquired a 30% minority interest in Copper World LLC pursuant to the Copper World joint venture transaction (as described in the Hudbay AIF).

(8) Mason US owns the Mason project in Nevada as well as certain exploration properties in the surrounding area.

(9) Hudbay (BVI) International Inc. (formerly known as 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. HudBay Arizona (Barbados) SRL was discontinued under the laws of Barbados and continued under the laws of the British Virgin Islands as Hudbay (BVI) International Inc., effective December 31, 2025.

Description of Business

Hudbay is 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 Hudbay, 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.

Hudbay's mission is to create sustainable value and strong returns by leveraging its core strengths in community relations, focused exploration, mine development and efficient operations. Hudbay intends to sustainably grow through the exploration and development of its robust project pipeline, as well as through the acquisition of other properties that fit Hudbay's stringent strategic criteria.

Hudbay has the following material mineral projects:

1. its 100% owned Constancia mine, an open pit copper mine in Peru, which achieved commercial production in the second quarter of 2015;

2. its 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. its 100% owned Copper Mountain mine, an open pit copper mine in southern British Columbia, Canada, which also produces gold and silver as by-product metals; and

4. its 70% 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 gold/silver doré and copper concentrate, 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 its Snow Lake operations.

In Peru, Hudbay owns and operates a processing facility at Constancia, which produces copper and molybdenum concentrates from the Constancia deposit and, prior to its recent depletion, also processed ore from the Pampacancha satellite deposit. 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, Hudbay owns 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 Hudbay's primary assets and certain exploration properties are located:

Recent Developments

The Arrangement

On March 1, 2026, Hudbay and the Company entered into the Arrangement Agreement, which provides for the acquisition by Hudbay of all the issued and outstanding Common Shares (other than Common Shares held by Hudbay or any of its affiliates and by Dissenting Shareholders, if any) pursuant to a court-approved Plan of Arrangement under the BCBCA for consideration of 0.242 Hudbay Shares for each Common Share. Subject to receipt of the Securityholder Approval, the Final Order and the satisfaction or waiver of certain other conditions under the Arrangement Agreement, Hudbay will acquire all of the issued and outstanding Common Shares (other than Common Shares held by Hudbay or any of its affiliates and by Dissenting Shareholders, if any) on the Effective Date. Outstanding Incentive Securities will be settled in cash and Hudbay Shares, as applicable, in accordance with the terms of the Arrangement. Immediately following the completion of the Arrangement, the Company will become a direct wholly-owned Subsidiary of Hudbay.

For a full description of the Arrangement and the Arrangement Agreement, see "*The Arrangement" and "The Arrangement Agreement*" in this Circular.

3-Year Production Outlook

On March 27, 2026, Hudbay affirmed its 2026 production guidance as issued on February 20, 2026, and issued new 2027 and 2028 production guidance in connection with updated life-of-mine models to support annual reserve and resource estimates.

Consolidated copper production over the next three years is expected to average 147,000[(1)] tonnes, representing an increase of 24% from 2025 levels. 2027 and 2028 consolidated copper production is expected to average 159,000 tonnes per year, a 28% increase from 2026 expected consolidated copper production of 124,000 tonnes. The increase is due to higher expected copper production in British Columbia as a result of mill throughput ramping up to the targeted 50,000 tonnes per day in the second half of 2026, higher grades British Columbia in 2027 from the completing of the accelerated stripping schedule, and higher expected mill throughput in Peru from the addition of two pebble crushers and operating efficiencies in the second half of 2026. Consolidated gold production over the next three years is expected to average 243,000[(1)] ounces per year, representing a decrease of 9% from 2025 levels after the depletion of the high-grade Pampacancha satellite deposit in December 2025 but an increase in unstreamed higher-valued gold production in Manitoba. Continued strong gold production levels are expected to be driven by New Britannia mill throughput continuing to exceed expectations operating above 2,200 tonnes per operating day and the contribution from New Ingerbelle in 2028.

Peru's three-year copper production guidance reflects stable copper production averaging 87,500[(1)] tonnes per year, as the depletion of Pampacancha in 2025 is offset by higher mill throughput and operating efficiencies. Peru expects to install two pebble crushers to increase mill throughput in the second half of 2026, in addition to implementing other mill optimization initiatives. 2027 and 2028 copper production is expected to be 90,000[(1)] tonnes, a 9% increase from 2026 expected copper production of 82,500 tonnes, benefiting from a full year of increased mill throughput and operating efficiencies and mine plan optimization to smooth copper production over the three-year period. The benefits of the mine plan optimization initiatives extend beyond the 3-year outlook with 2029 copper production expected to continue near these levels. Gold production over the next three years is expected to average 18,500[(1)] ounces, lower than 2025 levels as Hudbay accelerated the depletion of the high-grade Pampacancha satellite deposit in December 2025.

Manitoba's three-year production guidance reflects continued strong gold production levels averaging 190,000[(1)] ounces per year. New Britannia mill throughput is expected to continue to exceed expectations and operate above 2,200 tonnes per day, far exceeding its original design capacity of 1,500 tonnes per day. The production guidance anticipates Lalor operating between 4,000 to 4,500 tonnes per day, supplemented by contributions from the 1901 deposit with a ramp up to 1,000 tonnes per day by 2028. In 2026, Hudbay expects to complete a feasibility study on the Stall mill tailings leaching project, which has the potential to further increase gold production starting in 2028. The benefits of this project have not been reflected in the production guidance. Zinc production is expected to increase to 32,500[(1)] tonnes by 2028, a 76% increase from 2026 and 2027 expected zinc production of 18,500[(1)] tonnes, driven by higher production from the 1901 deposit.

British Columbia's three-year copper production guidance reflects sequentially higher copper production averaging 48,000[(1)]

tonnes per year, as a result of the completion of the conversion of the third ball mill to second SAG mill in late 2025, installation of the replacement feed-end head at the primary SAG mill in the third quarter of 2026, and higher grades from the completion of the accelerated stripping program in 2026. 2027 and 2028 copper production is expected to average 57,500[(1)] tonnes, almost double 2026 expected copper production of 30,000[(1)] tonnes, benefiting from a full year of mill throughput at the targeted 50,000 tonnes per day and the unlocking of higher grades from the accelerated stripping program. Similarly, gold production over the next three years reflects sequentially higher production with average annual gold production of 38,500[(1)] ounces over 2027 and 2028, representing a 43% increase from 2026 as a result of the expected contribution from New Ingerbelle starting in 2028.

3-Year Production Outlook **Contained Metal in Concentrate and Doré[2]**		**2026 Guidance**	**2027 Guidance**	**2028 Guidance**
Peru				
Copper	*tonnes*	75,000 - 90,000	80,000 - 100,000	80,000 - 100,000
Gold	*ounces*	15,000 - 20,000	17,000 - 21,000	17,000 - 21,000
Silver	*ounces*	1,900,000 - 2,400,000	1,200,000 - 1,400,000	2,000,000 - 2,500,000
Molybdenum	*tonnes*	900 - 1,100	1,100 - 1,400	500 - 700
Manitoba				
Gold	*ounces*	180,000 - 220,000	170,000 - 210,000	160,000 - 200,000
Zinc	*tonnes*	16,000 - 21,000	16,000 - 21,000	29,000 - 36,000
Copper	*tonnes*	10,000 - 13,000	10,000 - 14,000	9,000 - 13,000
Silver	*ounces*	800,000 - 1,000,000	950,000 - 1,200,000	1,000,000 - 1,300,000
British Columbia				
Copper	*tonnes*	25,000 - 35,000	50,000 - 70,000	50,000 - 60,000
Gold	*ounces*	22,000 - 32,000	26,000 - 38,000	38,000 - 52,000
Silver	*ounces*	200,000 - 290,000	500,000 - 660,000	420,000 - 580,000
Total				
Copper	*tonnes*	110,000 - 138,000	140,000 - 184,000	139,000 - 173,000
Gold	*ounces*	217,000 - 272,000	213,000 - 269,000	215,000 - 273,000

3-Year Production Outlook Contained Metal in Concentrate and Doré[2]		2026 Guidance	2027 Guidance	2028 Guidance
Zinc	*tonnes*	16,000 - 21,000	16,000 - 21,000	29,000 - 36,000
Silver	*ounces*	2,900,000 - 3,690,000	2,650,000 - 3,260,000	3,420,000 - 4,380,000
Molybdenum	*tonnes*	900 - 1,100	1,100 - 1,400	500 - 700

Notes:

(1) Calculated using the mid-point of the annual guidance range.

(2) Metal reported in concentrate and doré is prior to smelting and refining losses or deductions associated with smelter terms.

Description of Capital Structure

Common Shares

Hudbay is authorized to issue an unlimited number of Hudbay Shares, of which there were 397,197,662 issued and outstanding as of April 6, 2026 (being the final trading day prior to the date of this Circular).

Hudbay shareholders are entitled to receive notice of any meetings of its shareholders, to attend and to cast one vote per Hudbay Share at all such meetings. Hudbay shareholders do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Hudbay Shares entitled to vote in any election of directors may elect all directors standing for election. Hudbay shareholders are entitled to receive, on a pro-rata basis, such dividends, if any, as and when declared by the Hudbay board of directors (the "**Hudbay Board**") at its discretion from funds legally available therefor. Upon Hudbay's liquidation, dissolution or winding up, Hudbay shareholders are entitled to receive, on a pro-rata basis, its 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 Hudbay shareholders with respect to dividends or liquidation. The Hudbay Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preference Shares

Hudbay is authorized to issue an unlimited number of preference shares, none of which were issued and outstanding as of April 6, 2026 (being the final trading day prior to the date of this Circular).

Preference shares may from time to time be issued and the Hudbay Board 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 Hudbay's 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 Hudbay's liquidation, dissolution or winding up or any other return of capital or distribution of its assets among its shareholders for the purpose of winding up its affairs. Preference shares may be convertible into Hudbay Shares at such rate and upon such basis as the Hudbay Board 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 Hudbay's winding up, amalgamation or the sale of all or substantially all of its 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 Hudbay's 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, Hudbay issued $600 million aggregate principal amount of 6.125% senior unsecured notes due 2029 (the "**2029 Notes**"). The proceeds of this offering were used to redeem $400 million of Hudbay's outstanding 7.250% senior unsecured notes due 2023 and to pay any related premium, costs, and expenses for general corporate purposes.

On March 8, 2021 Hudbay issued $600 million aggregate principal amount of 4.50% senior unsecured notes due 2026 (the "**2026 Notes**"). The proceeds of this offering were used to redeem $600 million of Hudbay's outstanding 7.625% senior unsecured notes due 2025. Hudbay repaid the outstanding aggregate principal amount of $472.5 million of 2026 Notes on maturity on April 1, 2026 using a combination of available cash on hand and a $272 million draw on its low-cost revolving credit facilities.

The 2029 Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by substantially all of Hudbay's existing and future subsidiaries, other than Hudbay's subsidiaries associated with its 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 2029 Notes contain certain customary covenants and restrictions for a financing instrument of this type. Although there are no maintenance covenants with respect to Hudbay's financial performance, there are transaction-based restrictive covenants that limit Hudbay's ability to incur additional indebtedness and make restricted payments in certain circumstances.

Hudbay may redeem the 2029 Notes at any time, at its option in whole or in part, at the redemption prices (expressed as percentages of the principal amount of 2029 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:

2029 Notes	
Year	**Percentage**
2026	101.021%
2027 and thereafter	100.000%

Consolidated Capitalization of Hudbay

Except as otherwise described herein, there have been no material changes in Hudbay's share and debt capital, on a consolidated basis, since December 31, 2025, the date of Hudbay's most recently filed consolidated financial statements. See the documents incorporated by reference in this Circular under the heading "*Documents Incorporated by Reference"* above (including any documents filed by Hudbay with Canadian securities regulators on SEDAR+ at www.sedarplus.ca after the date of this Circular and before the Company Meeting that are deemed to be incorporated by reference into this Circular). Also see Appendix "G" – "*Information Concerning Hudbay Following the Arrangement – Description of Capital Structure*" in this Circular for more information about Hudbay's consolidated capitalization both before and after giving effect to the Arrangement.

Dividends

Hudbay has historically paid a semi-annual dividend of $0.01 per share in March and September of each calendar year. However, following Hudbay's recent financial transformation and consistent with its capital allocation framework, in February 2026 the Hudbay Board approved the introduction of a new quarterly dividend of $0.01 per share as Hudbay has achieved certain financial milestones ahead of schedule and has significantly improved its financial position. This represents

the first dividend increase in Hudbay's history. At all times, the declaration of dividends is subject to the discretion of the Hudbay Board.

Market For Securities

The Hudbay 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 Hudbay's common shares on the TSX and NYSE during each of the 12 months preceding the date of this Circular are set forth in the following table.

Trading of Common Shares on TSX				Trading of Common Shares on NYSE		
Period	**High ($)**	**Low ($)**	**Volume (common shares)**	**High (US$)**	**Low (US$)**	**Volume (common shares)**
2025						
April	11.12	8.49	40,660,802	7.78	5.95	165,246,792
May	12.85	9.97	30,066,344	9.31	7.21	144,596,257
June	14.59	12.37	26,089,937	10.70	9.01	177,250,612
July	15.19	12.35	41,627,274	11.13	8.93	166,150,686
August	16.69	12.44	35,894,544	12.10	9.02	142,575,889
September	21.54	16.06	43,677,493	15.48	11.62	158,058,217
October	24.75	20.72	48,342,621	17.73	14.81	174,391,478
November	24.22	20.26	27,032,768	17.31	14.34	103,500,570
December	27.65	22.58	29,339,777	20.32	16.13	98,716,645
2026						
January	38.80	27.05	39,245,005	28.74	19.69	128,146,361
February	38.94	31.80	44,626,531	28.53	23.21	132,126,071
March	37.69	24.04	52,935,658	27.68	17.50	128,985,944
April[(1)]	30.88	28.68	4,930,466	22.26	20.58	16,648,799

Notes:
(1) Up to and including April 6, 2026 (being the final trading day prior to the date of this Circular).

On April 6, 2026 (being the final trading day prior to the date of this Circular), the closing prices of the Hudbay Shares on the TSX and NYSE were $30.26 and US$21.74 per Hudbay Share, respectively.

Prior Sales

The following table summarizes the issuance by Hudbay of Hudbay Shares and securities convertible or exchangeable into Hudbay Shares in the 12 months preceding the date of this Circular.

Date Issued	Type of Security	Amount Issued[(1)]	Issuance or Exercise Price
April 1, 2025 – April 1, 2026	Hudbay Shares[(2)]	785,654	$7.72
April 15, 2025	Hudbay DSUs[(3)]	27,924	N/A
May 27, 2025	Hudbay Shares[(4)]	553	$7.38

Date Issued	Type of Security	Amount Issued[1]	Issuance or Exercise Price
June 24, 2025	Hudbay Shares[5]	465,394	$13.30
June 25, 2025	Hudbay RSUs[6]	7,705	N/A
June 27, 2025	Hudbay Shares[4]	1,107	$7.38
July 15, 2025	Hudbay DSUs[3]	17,843	N/A
July 24, 2025	Hudbay Shares[4]	8,062	$7.38
September 19, 2025	Hudbay DSUs[3]	569	N/A
September 19, 2025	Hudbay RSUs[6]	1,010	N/A
September 19, 2025	Hudbay PSUs[7]	797	N/A
September 29, 2025	Hudbay Shares[8]	302,000	$33.12
October 15, 2025	Hudbay DSUs[3]	12,268	N/A
December 10, 2025	Hudbay Shares[8]	510,000	$39.33
December 10, 2025	Hudbay Shares[8]	75,000	$33.43
December 11, 2025	Hudbay Shares[4]	33,880	$7.38
December 29, 2025	Hudbay Shares[4]	16,940	$7.38
January 15, 2026	Hudbay DSUs[3]	9,961	N/A
March 4, 2026	Hudbay PSUs[7]	155,526	N/A
March 4, 2026	Hudbay RSUs[6]	304,105	N/A
March 4, 2026	Hudbay Options[9]	266,663	$34.10
March 27, 2026	Hudbay DSUs[3]	418	N/A
March 27, 2026	Hudbay PSUs[7]	421	N/A
March 27, 2026	Hudbay RSUs[6]	382	N/A

Notes:

(1) Where partial Hudbay deferred share units ("**Hudbay DSUs**"), Hudbay restricted share units ("**Hudbay RSUs**") or Hudbay performance share units ("**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 Shares issued pursuant to exercise of options to purchase Hudbay Shares ("**Hudbay Options**"). The issue price reflects the weighted average exercise price of the Hudbay Options exercised during the period and not the market price of the Hudbay Shares on any particular date.

(3) Hudbay DSUs are issued to members of the Hudbay Board 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, at which time they are paid out in cash equal to the number of Hudbay DSUs held multiplied by the price of the 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.

(4) Hudbay Shares issued pursuant to exercise of common share purchase warrants. The issue price reflects the exercise price of the warrant and not the market price of the Hudbay Shares on that date.

(5) Hudbay Shares issued pursuant to a private placement.

(6) 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).

(7) 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.

(8) Hudbay Shares issued pursuant to a flow-through share issuance.

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

Interest of Informed Persons in Material Transactions

Except as otherwise disclosed in the Hudbay AIF, there were no material interests, direct or indirect, of Hudbay's directors or executive officers, or any director or executive officer of a Subsidiary of Hudbay or any Person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Hudbay Shares, or any associate or affiliate of such Persons, in any transaction since the commencement of Hudbay's last completed financial year or in any proposed transaction which has materially affected, or would materially affect, Hudbay or any of its Subsidiaries.

Material Contracts

Except as otherwise disclosed in this Circular or in the Hudbay AIF, during the 12 months prior to the date of this Circular, Hudbay has not entered into any contracts, nor are there any contracts still in effect, that are material to Hudbay or any of its Subsidiaries, other than contracts entered into in the ordinary course of business. See "*Material Contracts"* in the Hudbay AIF, which is incorporated by reference in this Circular.

Auditor, Transfer Agent and Registrar

Hudbay's auditor is Deloitte LLP and its registrar and transfer agent is TSX Trust Company, located in Toronto, Ontario.

Risk Factors

An investment in the securities of Hudbay and the completion of the Arrangement are subject to certain risks. In addition to considering the other information in this Circular, including the risk factors relating to the Arrangement set forth under "*Risk Factors*" in this Circular, readers should carefully consider the risk factors described under the heading *"Risk Factors"* in the Hudbay AIF, which is incorporated by reference in this Circular. If any of the identified risks were to materialize, Hudbay's business, financial position, results and/or future operations may be materially affected. The risk factors identified in this Circular and the documents incorporated by reference are not exhaustive and other factors may arise in the future that are currently not foreseen by management of Hudbay that may present additional risks in the future.

Interests of Experts

The Hudbay Annual Financial Statements, incorporated by reference in this Circular, have been audited by Deloitte LLP, as set forth in their report thereon. Deloitte LLP is independent with respect to Hudbay within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Ontario and within the meaning of the U.S. Securities Act 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 financial information) relating to Hudbay is available under Hudbay's issuer profile on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov. The information contained on, or accessible through, any of these websites is not incorporated by reference into this Circular and is not, and should not be considered to be, a part of this Circular unless it is explicitly so incorporated. See "*Documents Incorporated by Reference*" above.

APPENDIX "G"
INFORMATION CONCERNING HUDBAY FOLLOWING THE ARRANGEMENT

Notice to Reader

The following information about Hudbay following completion of the Arrangement should be read in conjunction with documents incorporated by reference in this Circular and the information concerning Hudbay and the Company, as applicable, appearing elsewhere in this Circular. See Appendix "F" – *"Information Concerning Hudbay*" in this Circular. For further information regarding Hudbay or the Company, please refer to the filings under their respective issuer profiles on SEDAR+ at www.sedarplus.ca and, in the case of Hudbay, Hudbay's issuer profile on EDGAR at www.sec.gov.

See "*Management Information Circular – Cautionary Statement Regarding Forward Looking Statements*" in this Circular.

General

The Arrangement will result in the acquisition by Hudbay of all the issued and outstanding Common Shares (other than Common Shares held by Hudbay or any of its affiliates and by Dissenting Shareholders, if any) pursuant to a court-approved Plan of Arrangement under the BCBCA for consideration of 0.242 Hudbay Shares for each Common Share. For a full description of the Arrangement and the Arrangement Agreement, see "*The Arrangement" and "The Arrangement Agreement*" in this Circular.

Following the Arrangement, Hudbay's registered office will continue to be located at 333 Bay Street, Suite 3400, Bay Adelaide Centre, Toronto, Ontario M5H 2S7 and its principal executive office will continue be located at 25 York Street, Suite 800, Toronto, Ontario M5J 2V5.

Hudbay will continue to be a corporation existing under the CBCA. After completion of the Arrangement, Hudbay will continue to be a reporting issuer in each province and territory of Canada, and will continue to trade on the TSX, the NYSE and the Bolsa de Valores de Lima under the trading symbol "HBM".

Description of the Business

Following completion of the Arrangement, Hudbay will continue to be 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 growth strategy will continue to be focused on sustainable growth through the exploration and development of its robust project pipeline, as well as through the acquisition of other properties that fit Hudbay's stringent strategic criteria.

Set out below is a list of Hudbay's material mineral projects upon completion of the Arrangement:

1. its 100% owned Constancia mine, an open pit copper mine in Peru, which achieved commercial production in the second quarter of 2015;

2. its 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. its 100% owned Copper Mountain mine, an open pit copper mine in southern British Columbia, Canada, which also produces gold and silver as by-product metals; and

4. its 70% 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 will continue to own and operate 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 gold/silver doré and copper concentrate, and (iii) the processing facility at the Copper Mountain mine in Princeton, British Columbia, which produces copper concentrate. Hudbay will also continue to own a number of other

properties in the Snow Lake region within trucking distance of the Stall and New Britannia mills that have the potential to provide additional feed for its Snow Lake operations.

In Peru, Hudbay will continue to own and operate a processing facility at Constancia, which produces copper and molybdenum concentrates from the Constancia deposit and, prior to its recent depletion, also processed ore from the Pampacancha satellite deposit. Hudbay will also continue to own 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, and a 100% interest in the Llaguen project, a greenfield project located close to existing infrastructure.

In Arizona, following completion of the Arrangement, the Cactus Project in Pinal County, Arizona will form part of Hudbay's growth pipeline of copper assets in the United States.

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

Corporate Structure

Following completion of the Arrangement, Hudbay will continue to be a corporation existing under the CBCA and will continue to have the corporate structure set forth in Appendix "F" – *"Information Concerning Hudbay*" to this Circular, provided that, in addition to the corporate structure set forth therein, the Company will become a direct wholly-owned Subsidiary of Hudbay upon completion of the Arrangement.

Description of Capital Structure

The authorized share capital of Hudbay following completion of the Arrangement will continue to be as described in Appendix "F" – *"Information Concerning Hudbay – Description of Capital Structure*" in this Circular and the rights and restrictions of the Hudbay Shares will remain unchanged.

As of April 6, 2026 (being the final trading day prior to the date of this Circular), there were 397,197,662 Hudbay Shares issued and outstanding. Assuming the Arrangement is completed in accordance with the Plan of Arrangement, and assuming that the number of Common Shares does not change prior to the Effective Date, it is expected that up to 50,152,601 Hudbay Shares will be issued upon the exchange of the Common Shares and Incentive Securities, resulting in a total of up to 447,350,263 Hudbay Shares issued and outstanding immediately following such exchange.

Hudbay Shares are common shares in the share capital of Hudbay. Please refer to Appendix "F" – *"Information Concerning Hudbay – Description of Capital Structure – Common Shares*" in this Circular for more information regarding Hudbay's common shares.

Dividend Policy and Capital Allocation

Other than pursuant to the TSX's policies, the CBCA, Hudbay's bank credit facilities and bond indentures, which contain covenants that restrict Hudbay's ability to declare or pay dividends if certain events of default under such bank credit facility and indenture have occurred and are continuing, there will be no restriction in Hudbay's articles or elsewhere which would prevent Hudbay from paying dividends subsequent to the completion of the Arrangement. See Appendix "F" – *"Information Concerning Hudbay – Dividends*" in this Circular.

The amount of future dividends and the declaration and payment thereof will be based upon a number of factors, including Hudbay's financial position, results of operations, cash flow, capital requirements and restrictions under its credit facilities, as well as broader market and economic conditions, and will be in compliance with Law. The Hudbay Board will retain the power to amend Hudbay's dividend policy in any manner and at any time as it may deem necessary or appropriate in the future. For these reasons, as well as others, there can be no assurance that dividends of Hudbay following completion of the Arrangement will be equal or similar to the amount historically paid on the Hudbay Shares or the Common Shares and that the Hudbay Board will not decide to change its dividend policy in the future.

Directors of Hudbay Following the Completion of the Arrangement

The Hudbay Board will continue to consist of the directors on the Hudbay Board at the time of closing if closing of the Arrangement is prior to May 19, 2026, or alternatively, the Hudbay Board will consist of the directors elected at Hudbay's upcoming annual and special meeting of shareholders to be held on May 19, 2026, if closing of the Arrangement is after May 19, 2026.

Principal Holders of Hudbay Shares Upon Completion of the Arrangement

To the knowledge of the directors and executive officers of Hudbay and the Company, as of the date hereof, it is not anticipated that any securityholder will own of record or beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to the Hudbay Shares following completion of the Arrangement.

Auditor, Transfer Agent and Registrar

Following the Arrangement, the auditor of Hudbay will continue to be Deloitte LLP, located in Toronto, Ontario. Following the Arrangement, the registrar and transfer agent for Hudbay will continue to be TSX Trust Company, located in Toronto, Ontario.

Risk Factors

The business and operations of Hudbay following completion of the Arrangement will continue to be subject to the risks currently faced by Hudbay and the Company, as well as certain risks unique to Hudbay following completion of the Arrangement.

Readers should carefully consider the risk factors discussed under the heading "*Risk Factors*" in the Hudbay AIF, which is incorporated by reference in Appendix "F" – *"Information Concerning Hudbay*" of this Circular, as well as the risk factors set forth under "*Risk Factors*" in this Circular. If any of the identified risks were to materialize, Hudbay's business, financial position, results and/or future operations may be materially affected.

Securityholders should also carefully consider all of the information disclosed in this Circular and the documents incorporated by reference.

The risk factors that are identified in this Circular and the documents incorporated by reference are not exhaustive and other factors may arise in the future that are currently not foreseen that may present additional risks in the future.

APPENDIX "H"
DISSENT PROVISIONS OF THE BCBCA

DIVISION 2 OF PART 8 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or

(iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(a), (b), (c), (d), (e) or (f) or (1.1) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

APPENDIX "I"
PETITION

See attached.

S-262326

No _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 AND 291 OF *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ARIZONA SONORAN COPPER COMPANY INC., AND ITS SECURITYHOLDERS AND HUDBAY MINERALS INC.

ARIZONA SONORAN COPPER COMPANY INC.

PETITIONER

PETITION TO THE COURT

The address of the registry is: 800 Smithe Street, Vancouver, BC V6Z 2E1

The Petitioner estimates that the hearing of the petition will take 15 minutes.

☐ This matter is an application for judicial review.

☒ This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below, by

[Check whichever one of the following boxes is correct and complete any required information].

☒ the person(s) named as petitioner(s) in the style of proceedings above.

☐ [insert name of each petitioner] (the petitioner(s))

If you intend to respond to this petition, you or your lawyer must:

(a) File a response to petition in Form 67 in the above-named registry of this court within the time for response to petition descried below, and

(b) Serve on the petitioner(s)

(i) 2 copies of the filed response to petition, and

(ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Order, including orders granting relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner(s),

(a) If you were served with the petition anywhere in Canada, within 21 days after that service,

(b) If you were served with the petition anywhere in the United States of America, within 35 days after that service,

(c) If you were served with the petition anywhere else, within 49 days after that service, or

(d) If the time for response has been set by order of the court, within that time.

1 The ADDRESS FOR SERVICE of the petitioner is:

Osler, Hoskin & Harcourt LLP
Suite 3000, Bentall Four
1055 Dunsmuir Street
Vancouver, BC V7X 1K8

Attention: Teresa Tomchak
Maya Churilov

Fax number address for service (if any) of the petitioner: 778.785.2745

E-mail address for service (if any) of the petitioner: ttomchak@osler.com
mchurilov@osler.com

2 The name and office address of the petitioner's lawyer is:

Osler, Hoskin & Harcourt LLP
Suite 3000, Bentall Four
1055 Dunsmuir Street
Vancouver, BC V7X 1K8

Attention: Teresa Tomchak
Maya Churilov

CLAIM OF THE PETITIONER

Part 1: ORDER SOUGHT

The Petitioner, Arizona Sonoran Copper Company Inc. ("**Arizona Sonoran**" or the "**Company**"), applies for the following orders:

1. an *ex parte* interim order in the form attached as Schedule "A" to this Petition (the "**Interim Order**");

2. an order (the "**Final Order**") approving an arrangement (the "**Arrangement**"), more particularly described in the plan of arrangement (the "**Plan of Arrangement**"), involving Arizona Sonoran and the holders (the "**Shareholders**") of the issued and outstanding common shares of the Company ("**Common Shares**"), the outstanding options to purchase Common Shares ("**Options**"), the outstanding deferred share units ("**DSUs**"), the outstanding restricted share units ("**RSUs**" and collectively with the Common Shares, Options, and DSUs, the "**Securities**" and the holders thereof the "**Securityholders**") and Hudbay Minerals Inc. (the "**Purchaser**" or "**Hudbay**") and declaring that the terms are procedurally and substantively fair and reasonable to those entitled to receive securities pursuant to the Arrangement; and

3. such further and other relief as counsel may advise and this Court deems just.

Part 2: FACTUAL BASIS

The facts upon which this Petition is based are as follows:

4. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the management information circular (the "**Circular**") a draft of which is found at Exhibit "A" to the Affidavit #1 of George Ogilvie sworn on March 31, 2026 (the "**Interim Order Affidavit**").

A. Parties

5. Arizona Sonoran is incorporated under the BCBCA. The Company's registered office is located at 666 Burrard Street, 25th Floor, Vancouver, British Columbia, V6C 2X8, and its corporate office is located at 372 Bay Street, Suite 1800, Toronto, Ontario, M5H 2W9.

6. The Company is a reporting issuer in all provinces and territories in Canada, except for Quebec.

7. The Common Shares are listed for trading on the Toronto Stock Exchange ("**TSX**"). The Company also trades on the OTCQX Best Market.

8. Arizona Sonoran is a copper developer and producer with its principal assets being a 100% interest in the Cactus Project, a brownfield copper porphyry project which is situated on private land in an infrastructure-rich area of Arizona.

9. Arizona Sonoran is authorized to issue an unlimited number of Common Shares. As of the Record Date, Arizona Sonoran had 208,741,884 Common Shares issued and outstanding. There are a total of: (i) 7,738,267 Options, (ii) 713,937 DSUs, and (iii) 1,024,173 RSUs outstanding as of the Record Date.

10. Hudbay is incorporated under the laws of Canada. Hudbay's registered office is located at 333 Bay Street, Suite 3400, Bay Adelaide Centre, Toronto, Ontario, M5H 2S7 and its principal executive office is located at 25 York Street, Suite 800, Toronto, Ontario, M5J 2V5.

11. Hudbay is a reporting issuer in all of the provinces and territories in Canada.

12. There are 397,193,268 common shares of Hudbay (the "**Hudbay Shares**") issued and outstanding as of March 25, 2026. Hudbay currently owns 9.99% of the issued and outstanding Common Shares.

13. The Hudbay Shares trade on the TSX, the New York Stock Exchange and Bolsa de Valores de Lima.

14. Hudbay is 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 Hudbay, which is complemented by meaningful gold production and by-product zinc, silver, 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.

B. The Arrangement

15. On completion of the Arrangement, Hudbay will hold all of the issued and outstanding Common Shares and the Company will be a wholly-owned subsidiary of Hudbay.

16. Under the terms of the Arrangement Agreement, which was negotiated at arm's length, each Shareholder (other than those Shareholders who have properly and validly exercised their dissent rights as described herein and Hudbay or any of its affiliates) will receive 0.242 of a Hudbay Share for each Common Share held immediately prior to the Effective Time or, in the case of Optionholders, DSU Holders and RSU Holders, Common Shares held following the Effective Time following the completion of the applicable steps described below, subject to adjustment pursuant to the Arrangement Agreement (the "**Consideration**").

17. Pursuant to the Plan of Arrangement, the following steps shall occur and shall be deemed to occur, commencing at the Effective Time, sequentially in the following order, with each

such step after the first occurring five minutes after the preceding step (except where otherwise indicated), and without any further authorization, act or formality:

(a) notwithstanding the terms of the Shareholder Rights Plan, the Shareholder Rights Plan shall be terminated, and all rights issued pursuant to the Shareholder Rights Plan shall be cancelled without any payment in respect thereof and the Shareholder Rights Plan shall be of no further force or effect;

(b) notwithstanding any vesting or redemption or other provisions to which a DSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the DSU Plan governing such DSU), each DSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action by any Person, be fully vested and transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the DSU Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such DSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon such DSUs shall be removed from the accounts of the holders of such DSUs maintained by the Company and each DSU shall immediately be cancelled and all agreements relating to the DSUs shall be terminated and shall be of no further force and effect;

(c) notwithstanding any vesting or settlement or other provisions to which an RSU might otherwise be subject (whether by contract, the conditions of grant, resolution, applicable Law or the terms of the Equity Incentive Plan governing such RSU), each RSU (and all agreements relating thereto) outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the RSU Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such RSU in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such RSUs shall be removed from the accounts of the holders of such RSUs maintained by the Company and each RSU shall immediately be cancelled and all agreements relating to the RSUs shall be terminated and shall be of no further force and effect;

(d) notwithstanding any vesting or exercise or other provisions to which an Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Equity Incentive Plan governing such Option), each Option

shall, without any further action by or on behalf of a holder, be deemed to be fully vested and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, and the holder thereof shall be entitled to receive an amount equal to the Option Value in exchange therefor, which amount shall be paid in part in cash (which shall be used to satisfy the amount of any Tax withholding obligations in respect of such Option in accordance with Section 3.7 of the Plan of Arrangement) and in part by the Company issuing Common Shares, in each case in amounts set out in the Equity Incentive Compensation and Withholding Schedule, whereupon the name of the holder of such Option shall be removed from the register of Options maintained by the Company, and the Equity Incentive Plan and each Option shall immediately be cancelled and all agreements relating to the Options shall be terminated and shall be of no further force and effect;

(e) each Dissent Share shall be and shall be deemed to be transferred and assigned by the holder thereof without any further act or formality on its part, free and clear of all Liens, to the Company in accordance with, and for the consideration contemplated in, Section 4.1 of the Plan of Arrangement, and:

(i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the registered holder of each such Dissent Share and the name of such registered holder shall be, and shall be deemed to be, removed from the central securities register of the Company in respect of each such Dissent Share, and at such time each Dissenting Shareholder will have only the rights set out in Section 4.1 of the Plan of Arrangement;

(ii) such Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Dissent Share; and

(iii) the Company shall be the holder of all of the outstanding Dissent Shares, free and clear of all Liens, and the central securities register of the Company shall be revised accordingly; and

(f) each Shareholder (which for avoidance of doubt, shall include former holders of DSUs, RSUs and Options that hold Common Shares following the Effective Time in accordance with Sections 2.3(b), 2.3(c) and 2.3(d) of the Plan of Arrangement), other than Hudbay or a Dissenting Shareholder, shall transfer and assign their Common Shares, without any further act or formality by the Shareholder, free and clear of any Liens, to Hudbay in exchange for the allotment and issuance of the Consideration by Hudbay for each such Common Share so transferred, and in respect of the Common Shares so transferred:

(i) the registered holder thereof shall cease to be, and shall be deemed to cease to be, the registered holder of each such Common Share and the name of such registered holder shall be removed from the central securities register of Company;

(ii) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign each such Common Share;

(iii) Hudbay shall be the holder of all of the outstanding Common Shares (other than Dissent Shares), free and clear of all Liens, and the central securities register of the Company shall be revised accordingly; and

(iv) each such former Shareholder shall, upon the issuance of the Consideration Shares in their name as contemplated in this Plan of Arrangement, be entered into the share register of Hudbay maintained by or on behalf of Hudbay in respect of the Consideration Shares issuable to such former Shareholder pursuant to Section 2.3(f) of the Plan of Arrangement

18. The Consideration implies a value of $9.35 per Common Share based on the closing price of the Hudbay Shares on the TSX on February 27, 2026, being the final trading day prior to the date of the Arrangement Agreement, and represents a premium of 30% to the Company's closing share price for the Common Shares on February 27, 2026. The Consideration implies a premium of 36% based on the 20-day volume weighted average price of Common Shares and Hudbay Shares on the TSX for the period ending February 27, 2026.

19. If consummated, the Arrangement would result in the Company being a wholly-owned subsidiary of Hudbay and existing Shareholders owning approximately 11% of Hudbay based on the number of Hudbay Shares and Common Shares issued and outstanding as of the date of the Arrangement Agreement.

C. Background to the Arrangement

20. The entering into of the Arrangement Agreement was the result of arm's length negotiations conducted between representatives of the Company, under the oversight and direction of the Independent Directors, and Hudbay, and each of their respective financial and legal advisors. The following is a summary of the principal events that preceded the March 2, 2026 public announcement of the execution of the Arrangement Agreement.

21. Since its initial public offering in November 2021, the Company has continued to advance the Cactus Project. The Company routinely enters into discussions with potential counterparties and, pursuant to customary confidentiality agreements, provides access to its confidential information through a virtual data room for purposes of discussions with these parties regarding potential transactions involving the Company and such parties.

22. A counterparty submitted a non-binding at-market offer to merge with the Company on April 18, 2024 in response to which, on May 3, 2024, the Company advised the counterparty in writing that, given the Company's current focus on advancing the Cactus Project to preliminary economic assessment in the coming months, it was premature to engage with the counterparty on a potential transaction, with further discussions occurring over the following two months, terminating at or about the end of June 2024.

23. In August 2024, the Company disclosed the results of a standalone preliminary economic assessment for the Cactus Project.

24. Subsequent to the release of the PEA, the Company received inbound inquiries from a number of interested parties but none led to a credible, bona fide expression of interest.

25. In September 2024, the Company was approached by Hudbay regarding a potential investment. On January 9, 2025, the Company announced that Hudbay had agreed to subscribe for 11,852,064 Common Shares at a price of $1.68 per Common Share for an aggregate subscription price of approximately $19.9 million. On January 31, 2025, the Company announced that Hudbay's final subscription increased to 11,955,270 Common Shares at a price of $1.68 per Common Share for a final aggregate subscription of approximately $20.1 million. As a result of the investment, Hudbay held a 9.99% interest in the Company. Concurrent with the investment, the Company also entered into an investor rights agreement with Hudbay, pursuant to which the Company granted certain customary investor rights to Hudbay, including pre-emptive rights permitting Hudbay to maintain its proportionate interest in the Company. Since the time of its initial investment, Hudbay has been a supportive shareholder of the Company, participating as an observer on the Company's Technical and Sustainability Committee of the Board and continuing to exercise its pre-emptive rights to maintain a 9.99% interest in the Company.

26. In October 2025, the Company disclosed the results of a pre-feasibility study on the Cactus Project and, on November 19, 2025, the Company filed the corresponding Cactus Technical Report.

27. On December 10, 2025, George Ogilvie, President and Chief Executive Officer of the Company, met with Peter Kukielski, President and Chief Executive Officer of Hudbay, to discuss the Company's performance during 2025 and the Company's plans for 2026. Mr. Kukielski reiterated Hudbay's support of the Company since its investment earlier in the year, and indicated Hudbay's interest in future discussions regarding a potential transaction with the Company. There was no discussion of terms of a potential transaction and no commitments were made by either party.

28. On December 29, 2025, the Company announced that, following preliminary consultation, the Company and Nuton LLC, a Rio Tinto Venture ("**Nuton**"), had mutually agreed to commence discussions in January with respect to an amicable early termination of the option to joint venture agreement on the Cactus Project that was initially entered into on December 14, 2023 (the "**OTJV Agreement**").

29. On January 12, 2026, Mr. Kukielski called Mr. Ogilvie to inform him that Hudbay intended to provide a non-binding letter of interest with respect to a proposed acquisition of the Company. Subsequent to the call, Mr. Kukielski sent a non-binding letter of interest, proposing to acquire all the Common Shares not already owned by Hudbay in exchange for 0.22 of a Hudbay Share for each Common Share. The proposed consideration implied an offer price of $6.60 per Common Share based on the closing price of the Hudbay Shares on the TSX on January 9, 2026, and a 27% premium to the closing price of the Common

Shares on the TSX of $5.20 on January 9, 2026. The proposal was also conditional upon the termination of the OTJV Agreement.

30. On January 13, 2026, Mr. Ogilvie emailed representatives of Nuton with respect to the proposed termination of the OTJV Agreement that was discussed at the end of December. The following day Mr. Ogilvie sent a proposal to Nuton regarding the termination of the OTJV Agreement.

31. On January 17, 2026, the Board met to receive an update regarding discussions with Hudbay. The Board received an update from management and a presentation from Scotiabank, the Company's financial advisor who had been retained since late 2023 to provide financial advice in connection with various strategic alternatives for the Company, regarding the initial proposal from Hudbay. Representatives of Osler, the Company's external legal counsel, were also present. During the meeting and at each subsequent meeting of the Board, the Independent Directors met in camera without Mr. Ogilvie or other members of management present to discuss the potential transaction and provide oversight and direction of any decision-making.

32. On January 20, 2026, Mr. Ogilvie telephoned Mr. Kukielski to provide feedback on the initial proposal and to confirm that the Company was not supportive of a transaction at the proposed share exchange ratio.

33. On January 22, 2026, Mr. Ogilvie and Mr. Kukielski again spoke regarding a potential transaction. Mr. Kukielski reviewed some of the merits of the initial Hudbay proposal and the market dynamics underlying the proposal. As a result of recent share price escalation for both Hudbay and the Company, the proposed exchange ratio represented an offer price of $7.31 per Common Share based on closing prices of the Common Shares and the Hudbay Shares on the TSX on January 21, 2026. Mr. Kukielski then requested exclusivity and an opportunity to conduct due diligence with a view to finalizing an offer and exchange ratio once the process was complete.

34. The following day, Mr. Ogilvie called Mr. Kukielski to advise that management would support a staged exclusivity and diligence period, provided that Mr. Kukielski was prepared to improve the Hudbay offer.

35. On January 24, 2026, Mark Gupta, Senior Vice President, Corporate Development and Strategy of Hudbay, provided a draft exclusivity agreement, which was subsequently negotiated by the parties and entered into on January 28, 2026. Following the entry into of the exclusivity agreement, Hudbay completed extensive due diligence.

36. On January 26, 2026, Mr. Ogilvie provided a draft agreement to terminate the OTJV Agreement to representatives of Nuton.

37. On February 10, 2026, during a call with Mr. Ogilvie, Mr. Kukielski presented a revised proposal to acquire the Company at a variable exchange ratio that would result in the Company receiving a fixed premium of 32% based on the respective 20-day volume-weighted average share prices on the TSX ("**VWAPs**") for each of the Company and

Hudbay prior to announcement, which, at that time, represented an exchange ratio of 0.2254 of a Hudbay Share for each Common Share. The call was followed by a written non-binding letter of interest confirming the revised proposal. The revised exchange ratio implied an offer price of $7.92 per Common Share based on the closing price of the Hudbay Shares on the TSX on February 9, 2026, a 37% premium to the closing price of the Common Shares on February 9, 2026, and a 32% premium based on the respective 20-day VWAPs for each of the Company and Hudbay on February 9, 2026.

38. Mr. Ogilvie provided an update to the Board in writing, and a Board meeting was scheduled for the following day.

39. On February 11, 2026, the Board met to discuss the revised proposal and Hudbay's related request for an extension of exclusivity. Management and representatives of Scotiabank and Osler reviewed the terms of the revised proposal and various financial, legal and other considerations with the Board. During the meeting, the Board also discussed considerations regarding the need for an independent fairness opinion if a potential transaction were to be pursued. During an in-camera session of the Independent Directors, representatives of Osler reviewed with the directors their duties and responsibilities in consideration of a potential transaction, including the review and oversight and ultimate approval of any potential transaction. The Independent Directors discussed the engagement of a potential independent financial advisor to provide an independent opinion as to the fairness of any potential transaction from a financial point of view to the Shareholders.

40. The Independent Directors also discussed the merits and considerations associated with forming a special committee but determined that no material conflicts existed in respect of the proposed Arrangement and therefore a special committee was not required as in-camera meetings of the Independent Directors would sufficiently and appropriately address any matters that may arise. After consideration, the Independent Directors directed management to meet with representatives of Hudbay to discuss a potential transaction and to assess whether Hudbay would be prepared to increase its offer price. The Independent Directors also authorized an extension of exclusivity to February 20, 2026.

41. On February 16, 2026, the Company entered into a termination agreement with Nuton terminating the OTJV Agreement. Prior to market opening on February 17, 2026, the Company disseminated a press release announcing the termination of the OTJV Agreement.

42. During the day on February 17, 2026, in furtherance of the direction of the Independent Directors, Messrs. Ogilvie, Nikolakakis and Hayduk met with Messrs. Kukielski, Lei and Gupta of Hudbay to discuss a potential transaction. During the meeting, the parties discussed various considerations regarding the value of the Cactus Project and the Company. The members of Company management confirmed to Hudbay that they would be prepared to support a transaction that provided 0.25 of a Hudbay Share for each Common Share. Based on recent trading prices, this implied an offer price of $8.89 per Common Share and a 44% premium to the closing price of the Common Shares on the TSX on February 13, 2026. The parties discussed the impacts of volatility in the markets

on the offer price and exchange ratio. Representatives of Hudbay agreed to consider the views of management and to revert.

43. Late in the day on February 19, 2026, Mr. Kukielski called Mr. Ogilvie to discuss a revised proposal. Taking into account the share prices for both the Company and Hudbay, Mr. Kukielski proposed an offer of 0.235 of a Hudbay Share for each Common Share, which represented an implied offer price of $8.03 for each Common Share and a 27% premium based on the closing price of the Common Shares on the TSX on February 18, 2026 and a 38% premium based on the respective 20-day VWAPs for each of the Company and Hudbay. Subsequent to the call, Mr. Kukielski submitted a revised non-binding letter of intent to Mr. Ogilvie summarizing the revised proposal.

44. During the morning of February 20, 2026, the Board met with members of management, Scotiabank and Osler to discuss the revised proposal. The Board discussed at length considerations regarding the financial elements of the proposal and Hudbay's request to extend exclusivity to allow for final due diligence and to review subsequent trading in the each of Hudbay's and the Company's share prices. The Independent Directors also met to consider the proposal and considerations regarding potential independent fairness opinion providers. The Independent Directors directed Mr. Ogilvie to request that Hudbay improve its offer in order to obtain the support of the Board and to further extend exclusivity.

45. Later that day Mr. Ogilvie telephoned Mr. Kukielski to advise him that the proposed exchange ratio of 0.235 of a Hudbay Share for each Common Share was insufficient to garner the support of the Board and reiterated the exchange ratio of 0.25 of a Hudbay Share for each Common Share previously proposed by the Company. Later that day, Mr. Kukielski telephoned Mr. Ogilvie and advised that after discussions with Hudbay's advisors, Hudbay was prepared to submit a revised non-binding letter of intent at that exchange ratio to progress a deal expeditiously. The revised proposal represented an implied offer price of $8.55 for each Common Share and a 30% premium based on the closing price of the Common Shares on the TSX on February 20, 2026 and a 44% premium based on the respective 20-day VWAPs for each of the Company and Hudbay. Mr. Kukielski indicated a preference for announcement of a transaction prior to the market opening on March 2, 2026, and subsequently submitted a revised non-binding letter of intent to Mr. Ogilvie summarizing the revised proposal.

46. During the evening of February 20, 2026, the Board again met to consider the revised proposal and updated non-binding letter of intent tendered by Hudbay. Following extensive discussions with members of management, Scotiabank and Osler, the Board unanimously resolved to approve the entry into of the revised non-binding letter of intent with Hudbay. The Independent Directors subsequently met to discuss the engagement of an independent fairness opinion provider and after discussion, authorized the engagement of Origin, subject to negotiation of acceptable engagement terms. The Independent Directors directed that management finalize the terms of engagement with Origin on a fixed-fee basis.

47. Later that evening, the revised non-binding letter of intent was executed.

48. During the evening of February 21, 2026, representatives of Goodmans, counsel to Hudbay, provided a draft Arrangement Agreement to representatives of Osler on behalf of the Company. During the following days and leading up to announcement, representatives of Osler and Goodmans exchanged phone calls to discuss terms and exchanged drafts of the Arrangement Agreement and form of Support Agreement in an effort to finalize the terms of the proposed transaction.

49. Over the course of the weekend, representatives of the Company and Hudbay also undertook commercial discussions regarding elements of the proposed transaction.

50. On February 23, 2026, representatives of the Company, Scotiabank and Osler met with representatives of Hudbay, TD Securities Inc., financial advisor to Hudbay, and Goodmans to discuss the proposed transaction. The parties discussed transaction documentation and Hudbay's ongoing due diligence, as well as the completion of due diligence by the Company and its advisors in respect of Hudbay.

51. On February 24, 2026, representatives of Osler provided revised drafts of the Arrangement Agreement and Support Agreement back to representatives of Goodmans.

52. On February 25, 2026, discussions between management representatives of the Company and Hudbay and between Osler and Goodmans occurred regarding the transaction documentation and proposed transaction terms.

53. On February 26, 2026, senior executive representatives of Hudbay provided a management presentation and due diligence question and answer session to senior management representatives of the Company, Scotiabank and Osler.

54. During the afternoon of February 26, 2026, the Independent Directors met to receive an update from representatives of Origin regarding their work.

55. During the evening of February 26, 2026, representatives of Goodmans provided revised drafts of the Arrangement Agreement and form of Support Agreement to representatives of Osler.

56. During the afternoon of February 27, 2026, Mr. Kukielski telephoned Mr. Ogilvie to advise him of the status of Hudbay's due diligence and concerns relating to the significant increases in the share prices of both Hudbay and the Company. Later that afternoon, Mr. Kukielski telephoned Mr. Ogilvie to advise that, in light of recent share price movements since execution of the letter of intent and the materially increased implied premium under the proposed exchange ratio, Hudbay was no longer prepared to proceed with the proposed transaction at a 0.25 exchange ratio. Mr. Kukielski advised that Hudbay was prepared to proceed at an exchange ratio of 0.242 of a Hudbay Share for each Common Share. While the exchange ratio was lower, this represented the same premium to the price per Common Share agreed under the non-binding letter of intent executed by the parties on February 20, 2026. The amended proposal provided a 30% premium to the closing price of the Common Shares on the TSX on February 27, 2026, and a 36% premium based on the respective 20-day VWAPs for each of the Company and Hudbay. The amended proposal provided an

implied offer price of $9.35 based on the closing price of the Hudbay Shares on the TSX on February 27, 2026, and a 9% improvement compared to the non-binding letter of intent delivered by Hudbay on February 20, 2026. Mr. Kukielski subsequently provided an amended non-binding letter of intent and confirmed that a 0.242 exchange ratio was a "best and final" offer from Hudbay.

57. During the evening of February 27, 2026, the Board met to receive an update on discussions with Hudbay and to receive information from members of management, Scotiabank and Osler.

58. During the afternoon of February 28, 2026, the Board again met to consider the amended proposal. During the meeting the Board received a presentation on financial considerations from representatives of Scotiabank in respect of the amended proposal. Following their presentation, members of management and representatives of Scotiabank left the meeting and representatives of Origin joined the meeting with only the Independent Directors and representatives of Osler. They confirmed that Origin was unconflicted and that Origin's compensation was on a fixed fee basis and not contingent on the outcome of the proposed transaction. Origin provided a presentation regarding their work completed to date and their preliminary financial analysis regarding the proposed transaction in respect of the amended proposal to the Independent Directors. Following the meeting, members of management rejoined the meeting. Discussions continued regarding each of the presentations from Scotiabank and Origin and due diligence undertaken, and representatives of Osler provided an overview of the terms of the transaction documentation. During the meeting the Independent Directors confirmed their support for proceeding with the transaction as proposed by Hudbay, provided that the terms of the transaction documents were reasonably acceptable to the Company and consistent with market practice.

59. Following the Board meeting, representatives of Osler provided further revised drafts of the Arrangement Agreement and the form of Support Agreement to representatives of Goodmans. Discussions continued throughout the weekend between senior management of the Company and Hudbay and between Osler and Goodmans.

60. During the late afternoon on March 1, 2026, the Board held a virtual meeting to consider the Arrangement. Members of management and Osler were in attendance. At the meeting, representatives of Scotiabank joined to provide further views on the financial terms of the proposed Arrangement and the financial work they had undertaken in the preparation of their opinion. Following their presentation, Scotiabank delivered its oral opinion to the Board that, as of March 1, 2026, based upon and subject to the assumptions, qualifications and limitations to be set forth in the written Financial Advisor Fairness Opinion, the Consideration to be received by the Shareholders pursuant to the Arrangement was fair from a financial point of view to the Shareholders other than Hudbay and its affiliates. Following the presentation, representatives of Scotiabank excused themselves from the meeting. Representatives of Origin joined the meeting and delivered Origin's oral opinion to the Board that, as of March 1, 2026, based upon and subject to the assumptions, explanations and limitations to be set forth in the written Independent Fairness Opinion,

the Consideration to be received by Shareholders (other than Hudbay and its affiliates) pursuant to the Arrangement was fair, from a financial point of view, to Shareholders. Representatives of Osler then reviewed in detail the proposed terms of the Arrangement, the Arrangement Agreement and the Support Agreement. Osler also reviewed with the Board the analysis conducted under MI 61-101 in respect of a collateral benefit to be received by Mr. Ogilvie in respect of the Arrangement, as he beneficially owns or exercises control or direction over more than 1% of the Company's outstanding Common Shares, and the need for a majority of the minority vote, excluding Mr. Ogilvie. Senior members of management then provided management's views as to the terms of the proposed Arrangement. Following extensive discussions, members of management left the meeting to permit the Independent Directors to deliberate.

61. The Independent Directors received a further review from Osler regarding the process undertaken by the directors, their duties as directors in the circumstances and the business judgment rule. Following the discussion, the Independent Directors had an extensive discussion and upon consideration of a number of factors, including the terms of the Arrangement and Arrangement Agreement, and relying on the advice of financial, legal and other advisors and discussions with management, including the Independent Fairness Opinion and the Financial Advisor Fairness Opinion, the Independent Directors unanimously determined that the Arrangement was in the best interests of the Company and fair to the Shareholders (other than Hudbay and its affiliates) and unanimously approved the making of a recommendation to the Board to approve the Arrangement and the Board's making of a recommendation to Shareholders that Shareholders vote in favour of the Arrangement Resolution.

62. After the discussion, senior members of management joined the meeting. The Chair of the Board reviewed with the Board the financial and legal advice received, including the Independent Fairness Opinion and the Financial Advisor Fairness Opinion, and the unanimous recommendation of the Independent Directors, the Board unanimously determined that the Arrangement was in the best interests of the Company and fair to the Shareholders (other than Hudbay and its affiliates) and unanimously approved the entry into of the Arrangement Agreement and the making of a recommendation to Shareholders that Shareholders vote in favour of the Arrangement Resolution.

63. During the afternoon and late evening of March 1, 2026, the terms of the Arrangement Agreement and Plan of Arrangement were finalized between the parties and entered into.

64. The Arrangement was announced by way of joint press release prior to market open on the morning of March 2, 2026.

D. Reasons for the Arrangement

65. In making their recommendation to the Board, the Independent Directors consulted with representatives of the Company's management, Scotiabank, Origin and Osler, received the oral Independent Fairness Opinion and the oral Financial Advisor Fairness Opinion, reviewed a significant amount of information and considered a number of factors, including the terms of the Arrangement, the Arrangement Agreement and those listed below. The

Independent Directors recommended the approval of the Arrangement based upon the totality of the information presented and considered by them. These same factors were considered by the Board, as a whole, in making the Board's unanimous decision and recommendation to Shareholders that Shareholders vote in favour of the Arrangement Resolution.

66. The following summary is not intended to be exhaustive but sets out the material information and factors considered by the Independent Directors and the Board in evaluating the Arrangement. In view of the variety of factors and the amount of information considered in connection with the evaluation of the Arrangement, neither the Independent Directors nor Board found it practicable to, and did not, quantify or otherwise assign any relative weight to the specific factors considered in reaching their conclusions and recommendations. The recommendation of the Independent Directors and the recommendation of the Board were made after consideration of the factors noted below, the terms of the Arrangement and Arrangement Agreement, other factors and in light of the directors' knowledge of the industry, business, financial condition and prospects of the Company and taking into account the advice of the financial, legal and other advisors to the directors and the Company. Individual directors may have assigned different weights to different factors. Various factors, including the following, were considered by the Independent Directors and the Board:

- **Immediate and Significant Premium to Shareholders.** The Consideration implies a value of $9.35 per Common Share based on the closing price of the Hudbay Shares on the TSX as at February 27, 2026, and represents a premium of 30% to the closing price of the Common Shares on the TSX as at February 27, 2026 and a premium of 36% based on the 20-day volume-weighted average price of the Common Shares on the TSX as at February 27, 2026, being the last trading day prior to the entering into of the Arrangement Agreement.

- **Exposure to a Diversified and High-Quality Asset Portfolio.** The Arrangement provides Securityholders with the opportunity to retain exposure to the Cactus Project, while also gaining exposure to Hudbay's established, Americas-focused and diversified asset base with its robust operating platform, assets generating meaningful free cash flow and a strong pipeline of copper growth projects.

- **Reduced Execution and Financing Risk of the Cactus Project Development.** The Company's strong local relationships in Arizona combined with Hudbay's established business and proven ability to develop and operate large-scale copper projects and the operational synergies realized through combining operations in the same region reduce overall execution risk for the development of the Cactus Project. In addition, Hudbay's well-capitalized balance sheet and ability to generate meaningful cash flow reduce the risk that extensive dilutive financing would be required to finance the development of the Cactus Project. In making this assessment, the Independent Directors and the Board considered, among other things, the current and anticipated future opportunities, needs and risks associated

with the financing and development of the Cactus Project by the Company as an independent public entity.

- **Improved Capital Markets Visibility and Trading Liquidity.** Hudbay is a well-established operating company listed on both the TSX and NYSE. Securityholders will gain ownership in a larger, significantly more liquid and diversified operating company in Hudbay with broader analyst coverage, enhanced access to capital markets and consistent dividend payments.

- **Independent Fairness Opinion.** The Independent Directors and the Board have received an independent fairness opinion provided by Origin, which states that, as of March 1, 2026, based upon and subject to the assumptions, explanations and limitations contained therein, the Consideration to be received by Shareholders (other than Hudbay and its affiliates) pursuant to the Arrangement is fair, from a financial point of view, to Shareholders.

- **Financial Advisor Fairness Opinion.** The Independent Directors and the Board have received the fairness opinion provided by Scotiabank, which states that, as of March 1, 2026, based upon and subject to the assumptions, qualifications and limitations contained therein, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders other than Hudbay and its affiliates.

- **Tax Treatment.** The Consideration payable to Shareholders by Hudbay is exclusively payable in Hudbay Shares. The exchange of Common Shares for Hudbay Shares under the Arrangement is intended to be a tax deferred transaction for Canadian and United States federal income tax purposes. However, if the Company is treated as a passive foreign investment company with respect to a U.S. Holder, then absent an applicable exception or election, under proposed U.S. Treasury Regulations certain U.S. Holders may recognize gain on the Arrangement under the rules applicable to excess distributions and dispositions of PFIC stock, regardless of whether the Arrangement otherwise qualifies as a reorganization for U.S. federal income tax purposes.

- **Support of Directors, Officers and Other Management.** The directors, officers and other members of management of the Company, who together hold an aggregate of approximately 1.17% of the outstanding Common Shares and approximately 4.75% of the outstanding Securities that will have voting rights at the Company Meeting, in each case as of the Record Date, have entered into the Support Agreements pursuant to which, and subject to the terms thereof, they have agreed, among other things, to vote their respective Securities in favour of the Arrangement Resolution.

- **Ability to Respond to Unsolicited Superior Proposals.** Subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited *bona fide* written proposal that, if consummated substantially consistent

with its terms, could reasonably be expected to lead to a Superior Proposal under the Arrangement Agreement, subject to customary limitations, including a right to match in favour of Hudbay. The amount of the Termination Payment payable in certain circumstances, being $70,000,000 (or approximately 3.5% of the implied Consideration value based on the closing price of the Common Shares on the TSX as at February 27, 2026), is within the range of termination fees that are considered reasonable for transactions of this size and nature and would not, in the view of the Independent Directors or the Board, preclude a third party from potentially making a Superior Proposal. Likewise, the Support Agreements terminate in the event that the Arrangement Agreement is terminated by the Company, permitting the Securityholders party thereto to support a transaction involving a Superior Proposal.

- **Negotiated Transaction.** The Arrangement Agreement is the result of a comprehensive negotiation process with Hudbay that was undertaken by the Company, under the direction of the Independent Directors, and the Company's legal, financial and other advisors. The Arrangement Agreement includes terms and conditions that are reasonable in the view of the Board and the Independent Directors.

- **Fairness of the Conditions.** The Arrangement provides for certain conditions to complete the Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied in the judgement of the Board and the Independent Directors.

- **Expense Reimbursement.** Subject to the terms of the Arrangement Agreement, in the event that the Arrangement is not completed by the Outside Date as a result of the failure to obtain the CFIUS Clearance, Hudbay will be required to reimburse the Company up to $2,000,000 for expenses incurred by the Company by pursuing the Arrangement.

- **Oversight by Independent Directors**. The Independent Directors, being all of the directors of the Company (other than George Ogilvie, Chief Executive Officer and President of the Company) held in-camera meetings at each meeting of the Board to independently consider the Arrangement and provide oversight and direction of any decision-making with respect to the Arrangement and the Arrangement Agreement, including considering the effects of Mr. Ogilvie receiving a "collateral benefit" in connection with the Arrangement within the meaning of MI 61-101.

- **Securityholder Approval and Disinterested Shareholder Approval.** The Arrangement Resolution must be approved at the Company Meeting by the affirmative vote of at least (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting on the basis of one vote per Common Share held; (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or represented by proxy and entitled to vote at the Company

Meeting, voting together as a single class, on the basis of one vote per Common Share held and one vote for each Common Share that the holder of each Option, RSU and DSU, as applicable, would have received on a valid exercise or settlement of such holder's Options, RSUs and DSUs, as applicable, without reference to any vesting provisions or exercise price; and (iii) a simple majority of the votes cast by Shareholders on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting, excluding certain persons required to be excluded in accordance with MI 61-101.

- **Court Approval.** The Arrangement must be approved by the Court, which will consider the substantive and procedural fairness of the Arrangement.

- **Dissent Rights.** The terms of the Plan of Arrangement provide that Registered Shareholders as of both the Record Date and as of the deadline for exercising Dissent Rights have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Dissent Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement.

67. The Board and the Independent Directors also considered a number of potential risks and negative factors related to the Arrangement and the Arrangement Agreement, including, among other things:

- the risks to the Company and its Securityholders if the Arrangement is not completed, including the costs to the Company in pursuing the Arrangement, the diversion of the Company's management from the conduct of the Company's business in the ordinary course and the potential impact on the Company's current business and stakeholder relationships;

- the risks to the Company and its Securityholders if the Arrangement were to not complete and the Company were to determine to pursue a standalone development of the Cactus Project, including the potential challenges in connection with raising the necessary capital to finance the development of the Cactus Project, together with the anticipated significant dilution arising from such financing;

- the fact that the Company ultimately pursued bilateral negotiations with Hudbay and did not pursue a formal auction or other process to solicit potential alternative buyers;

- the impact of an extremely volatile global market for copper and copper-related businesses and the impacts of these and other market influences on the Company's Common Share price over the prior 12- and 24- month periods;

- the conditions to complete the Arrangement, including the receipt of all Specified Regulatory Approvals, including the CFIUS Clearance, and the right of Hudbay to terminate the Arrangement Agreement under certain circumstances;

- the terms of the Arrangement Agreement in respect of restricting the Company from soliciting third parties to make an Acquisition Proposal and the specific requirements regarding what constitutes a Superior Proposal;

- the fact that the Hudbay Shares to be issued as Consideration under the Arrangement are based on a fixed Exchange Ratio and will not be adjusted based on fluctuations in the market value of the Common Shares or Hudbay Shares;

- the business, operations, assets, financial performance and condition, operating results and prospects of Hudbay, including the long-term expectations regarding Hudbay's operating performance;

- the Termination Payment payable to Hudbay under certain circumstances, including if the Company enters into an agreement with respect to a Superior Proposal;

- the terms of the Arrangement Agreement that require the Company to conduct its business in the ordinary course and prevent the Company from taking certain specified actions, which may delay or prevent the Company from taking certain actions to advance its business or a standalone Cactus Project pending consummation of the Arrangement; and

- the fact that, following the Arrangement, the Company will no longer exist as an independent public company and the Common Shares will be delisted from the TSX.

E. The Company Meeting and Approval of the Arrangement

68. Implementation of the Arrangement is subject to Arizona Sonoran obtaining the approval by the Securityholders at a special meeting (the "**Company Meeting**"), to be held on May 11, 2026 at 1:00 p.m. (Toronto Time) in a virtual-only format conducted via live audio webcast online.

69. It is intended that the materials set out below, with such amendments and inclusions as counsel for the Petitioner may advise are necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of the Interim Order will be sent to Securityholders, as applicable:

(a) the Circular, which includes among other things:

(i) Arrangement Resolution;

(ii) Plan of Arrangement;

(iii) Interim Order;

(iv) Independent Fairness Opinion;

(v) Financial Advisor Fairness Opinion;

(vi) Information Concerning Hudbay;

(vii) Information Concerning Hudbay Following the Arrangement;

(viii) Dissent Provisions of the BCBCA; and

(ix) Petition;

(b) forms of proxy and voting instruction form, as applicable, substantially in the form found in Exhibit "B" to the Interim Order Affidavit; and

(c) the Letter of Transmittal in the form found in Exhibit "C" to the Interim Order Affidavit

(collectively, the "**Company Meeting Materials**").

70. At the Company Meeting, the Securityholders will be asked to consider and, if deemed advisable, pass a special resolution approving the Plan of Arrangement (the "**Arrangement Resolution**").

71. In accordance with the articles of the Company, the quorum for the Company Meeting is two Shareholders entitled to vote at the meeting whether present virtually or by proxy who hold, in the aggregate, at least 5% of the issued and outstanding Common Shares entitled to be voted at the meeting.

72. In order to become effective, the Arrangement Resolution must be approved at the Company Meeting by the affirmative vote of at least: (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held; (ii) 66⅔% of the votes cast on the Arrangement Resolution by Securityholders present virtually or by proxy and entitled to vote at the Company Meeting and voting as a single class, on the basis of one vote per Common Share held, one vote for each Common Share that an Optionholder would have received on a valid exercise of such Optionholder's Options, one vote for each Common Share that a DSU Holder would have received on a valid settlement of such DSU Holder's DSUs and one vote for each Common Share that an RSU Holder would have received on a valid settlement of such RSU Holder's RSUs; and (iii) a majority of the votes cast on the Arrangement Resolution by Shareholders present virtually or represented by proxy and entitled to vote at the Company Meeting, voting as a single class, on the basis of one vote per Common Share held, excluding for this purpose the votes required to be excluded by MI 61-101 (the "**Minority Approval Vote**") (collectively, the "**Securityholder Approval**"). To the knowledge of the directors of the Company, after reasonable inquiry, as of the Record Date, the votes attached to the 1,367,353 Common Shares beneficially owned or controlled or directed by George Ogilvie, Chief Executive Officer and President of the Company, representing approximately 0.66%

of the issued and outstanding Common Shares, will be excluded from the Minority Approval Vote.

F. Dissent Rights

73. Registered Shareholders as of both the Record Date and as of the deadline for exercising Dissent Rights may exercise, pursuant to and in the manner set forth in sections 237 to 247 of the BCBCA, the right of dissent in connection with the Arrangement Resolution, as same may be modified by the Interim Order, the Final Order and Article 4 of the Plan of Arrangement ("**Dissent Rights**"); provided that, notwithstanding (a) subsection 242(1)(a) of the BCBCA, the written notice of dissent referred to in subsection 242(1)(a) of the BCBCA must be received by the Company not later than 4:00 p.m. (Vancouver time) two (2) business days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time) and (b) subsection 245(1) of the BCBCA, the Company will be required to pay the fair value of such Common Shares held by a Dissenting Shareholder (less any applicable withholdings pursuant to Section 3.7 of the Plan of Arrangement), and to offer and pay the amount to which such holder is entitled, which fair value, notwithstanding anything to the contrary in the BCBCA, shall be the fair value of such Dissent Shares determined as of the close of business on the day immediately before the approval of the Arrangement Resolution.

74. Dissenting Shareholders who are ultimately determined to be entitled to be paid fair value for their Common Shares pursuant to the Dissent Rights (a) will be deemed to not have participated in the Arrangement (other than as it relates to the treatment of Dissenting Shareholders), (b) will be deemed to have transferred and assigned such Dissent Shares held by them and in respect of which Dissent Rights have been properly and validly exercised to the Company, without any further act or formality, free and clear of all Liens at the time specified in Section 2.3(e) of the Plan of Arrangement, (c) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holder not exercised their Dissent Rights in respect of such Common Shares.

75. Dissenting Shareholders who are ultimately determined not to be entitled, for any reason, to be paid fair value for such holder's Common Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting Registered Shareholders, and shall be entitled to receive only the Consideration pursuant to Section 2.3(f) of the Plan of Arrangement on the same basis that a non-Dissenting Shareholder would have received pursuant to the Arrangement if such Shareholder had not exercised Dissent Rights.

76. In no circumstances will Hudbay, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the Registered Shareholder in respect of which such rights are sought to be exercised as of both the Record Date and as of the deadline for exercising such Dissent Rights. In no case will Hudbay, the Company or any other Person be required to recognize Dissenting Shareholders as Shareholders after the time that is immediately prior to the Effective Time, and the names of such Dissenting Shareholders will be deleted from the central securities register as

Shareholders at the time at which the step in Section 2.3(e) of the Plan of Arrangement occurs.

77. In addition to any other restrictions in the Interim Order or sections 237 to 247 of the BCBCA, none of the following will be entitled to exercise Dissent Rights: (i) an Incentive Securityholder in respect of such holder's Incentive Securities; (ii) Shareholders who have voted or have instructed a proxyholder to vote such Common Shares in favour of the Arrangement Resolution; and (iii) any Person who is not a registered Shareholder as of both the Record Date and as of the deadline for exercising such Dissent Rights.

78. It is a condition to the completion of the Arrangement under the Arrangement Agreement that can be waived by Hudbay that Dissent Rights shall not have been validly exercised in connection with the Arrangement by holders of more than 5% of the Common Shares.

G. Court Approval of the Arrangement

79. If the Arrangement Resolution receives the required Securityholder Approval, Arizona Sonoran expects that the hearing for the Final Order will be held on May 14, 2026, or on any other date that may be specified by the Court.

80. The Court's approval of the Arrangement, if granted, which includes a finding of the procedural and substantive fairness of the terms and conditions of the Arrangement, will form the basis of a claim to an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, provided by section 3(a)(10) thereof with respect to the issuance of securities pursuant to the Arrangement.

Part 3: LEGAL BASIS

81. The Petitioner relies on sections 237-247 (dissent rights) and 288 to 299 (arrangements) of the BCBCA, as amended.

82. The Petitioner also relies on Rules 2-1(2)(b), 4-4, 4-5, 8-1, 16-1 and 22-4(2) of the Rules of Court.

83. Section 288(1) of the BCBCA permits a company to propose an arrangement with its shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate.

84. Section 288 (2) of the BCBCA sets out two preconditions for an arrangement to take effect: (a) the adoption of the arrangement in accordance with section 289; and (b) court approval under section 291.

85. With respect to the approval of an arrangement pursuant to section 291, *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69 establishes a three-part test for approval. A petitioner must establish that:

(a) the arrangement is made in good faith;

(b) the statutory requirements have been met; and

(c) the arrangement is fair and reasonable.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of George Ogilvie, sworn March 31, 2026.

2. Such further affidavits and other documents as counsel for the Petitioner may advise and this Court may permit.

Dated: March 31, 2026

Lawyers for Petitioner,
Arizona Sonoran Copper Company Inc.
Teresa Tomchak/Maya Churilov

To be completed by the court only:

Order made
[ ] in the terms requested in paragraphs ..... of Part 1 of this petition
[ ] with the following variations and additional terms:
.....
.....
.....

Date: .....[*dd/mmm/yyyy*].....	..... Signature of [ ] Judge [ ] Master

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT

If you have questions or require voting assistance, please contact Arizona Sonoran Copper Company Inc.'s proxy solicitation agent:

Shorecrest

North America Toll Free: 1-888-637-5789
Calls Outside North America: 647-931-7454
Email: contact@shorecrestgroup.com