

HUDBAY MINERALS INC.

Consolidated Balance Sheet
(in thousands of Canadian dollars)

	Dec. 31, 2011	Dec. 31, 2010	Jan. 1, 2010
Assets			
Current assets			
Cash and cash equivalents	\$ 899,077	\$ 901,693	\$ 886,814
Trade and other receivables	40,309	78,168	40,185
Inventories	77,150	115,642	125,940
Prepaid expenses and other current assets	13,964	9,994	7,990
Other financial assets	3,112	3,795	955
Taxes receivable	4,352	99	15,313
	1,037,964	1,109,391	1,077,197
Receivable	5,212	-	-
Inventories	5,721	6,052	5,188
Prepaid expenses	1,227	1,884	-
Other financial assets	102,193	117,686	86,676
Intangible assets - computer software	11,872	7,083	1,967
Property, plant and equipment	1,203,045	817,558	796,669
Goodwill	68,246	-	-
Deferred tax assets	13,340	23,890	31,334
	\$ 2,448,820	\$ 2,083,544	\$ 1,999,031
Liabilities			
Current liabilities			
Trade and other payables	\$ 163,187	\$ 133,597	\$ 111,802
Taxes payable	17,413	33,088	-
Derivative liabilities	1,159	2,767	2,907
Other liabilities	14,500	56,453	42,660
	196,259	225,905	157,369
Provisions	147,304	112,514	81,021
Pension obligations	-	822	63
Other employee benefits	100,236	93,066	87,744
Derivative liabilities	-	1,632	7,068
Deferred tax liabilities	189,663	15,786	16,182
	633,462	449,725	349,447
Equity			
Share capital	1,020,126	642,161	656,427
Reserves	55,097	50,772	33,280
Retained earnings	737,940	931,464	958,518
Equity attributable to owners of the Company	1,813,163	1,624,397	1,648,225
Non-controlling interests	2,195	9,422	1,359
	1,815,358	1,633,819	1,649,584
	\$ 2,448,820	\$ 2,083,544	\$ 1,999,031

On behalf of the Board of Directors:

"J. Bruce Barraclough, FCA" _____ Director

"John L. Knowles" _____ Director

HUDBAY MINERALS INC.

Consolidated Income Statement

(in thousands of Canadian dollars, except share and per share amounts)

	Three months ended December 31		Year ended December 31	
	2011	2010	2011	2010
Revenue	\$ 254,314	\$ 184,607	\$ 890,817	\$ 781,032
Cost of sales				
Mine operating costs	134,896	89,592	476,621	431,513
Depreciation and amortization	25,291	22,436	103,915	116,488
Impairment loss	961	-	6,839	-
	161,148	112,028	587,375	548,001
Gross profit	93,166	72,579	303,442	233,031
Selling and administrative expenses	8,961	9,787	38,737	28,192
Exploration and evaluation	10,343	30,987	46,923	81,729
Other operating income	(360)	(390)	(3,374)	(812)
Other operating expenses	972	2,063	9,305	13,789
	73,250	30,132	211,851	110,133
Finance income	(2,780)	(2,464)	(8,770)	(6,351)
Finance expenses	1,303	1,279	6,605	4,378
Other finance losses	4,914	4,723	4,991	3,437
Net finance loss	3,437	3,538	2,826	1,464
Profit before tax	69,813	26,594	209,025	108,669
Tax expense	35,527	12,900	133,829	68,254
Profit from continuing operations	34,286	13,694	75,196	40,415
Loss from discontinued operations (net of taxes)	-	(5,826)	(238,784)	(19,398)
Profit (loss) for the period	\$ 34,286	\$ 7,868	\$ (163,588)	\$ 21,017
Attributable to:				
Owners of the Company	\$ 35,733	\$ 10,715	\$ (153,895)	\$ 23,971
Non-controlling interests	(1,447)	(2,847)	(9,693)	(2,954)
Profit (loss) for the period	\$ 34,286	\$ 7,868	\$ (163,588)	\$ 21,017
Earnings (loss) per share – basic and diluted				
Profit from continuing operations	\$ 0.21	\$ 0.11	\$ 0.48	\$ 0.29
Loss from discontinued operations	-	(0.04)	(1.40)	(0.13)
Profit (loss) for the period	\$ 0.21	\$ 0.07	\$ (0.92)	\$ 0.16

Weighted average number of common shares outstanding:

Basic	171,905,912	149,219,230	167,863,427	150,636,835
Diluted	172,230,939	150,139,585	167,863,427	151,336,399

HUDBAY MINERALS INC.

Consolidated Statement of Comprehensive Income
(in thousands of Canadian dollars)

	Three months ended December 31		Year ended December 31	
	2011	2010	2011	2010
Profit (loss) for the period	\$ 34,286	\$ 7,868	\$ (163,588)	\$ 21,017
Other comprehensive income (loss):				
Recognized directly in equity:				
Net exchange (loss) gain on translation of foreign operations	(15,556)	(10,589)	15,793	(15,070)
Effective portion of change in fair value of cash flow hedges	238	(2,844)	6,279	7,523
Change in fair value of available-for-sale financial assets	(2,912)	16,284	(49,117)	38,465
Tax effect	1,212	(1,197)	5,266	(7,016)
	(17,018)	1,654	(21,779)	23,902
Transferred to income statement:				
Net exchange loss on translation of foreign operations	-	-	20,416	-
Change in fair value of cash flow hedges	(761)	(485)	(992)	(3,267)
Change in fair value of available-for-sale financial assets	2,651	-	5,367	(2,163)
Tax effect	(149)	171	(485)	1,323
	1,741	(314)	24,306	(4,107)
Other comprehensive (loss) income net of tax, for the period	(15,277)	1,340	2,527	19,795
Total comprehensive income (loss) for the period	\$ 19,009	\$ 9,208	\$ (161,061)	\$ 40,812
Attributable to:				
Owners of the Company	\$ 20,605	\$ 12,217	\$ (151,472)	\$ 44,092
Non-controlling interests	(1,596)	(3,009)	(9,589)	(3,280)
Total comprehensive income (loss) for the period	\$ 19,009	\$ 9,208	\$ (161,061)	\$ 40,812

HUBBAY MINERALS INC.

Consolidated Statement of Cash Flows
(in thousands of Canadian dollars)

	Three months ended December 31		Year ended December 31	
	2011	2010	2011	2010
Cash generated from (used in) operating activities:				
Profit from continuing operations	\$ 34,286	\$ 13,694	\$ 75,196	\$ 40,415
Add back: tax expense from continuing operations	35,527	12,900	133,829	68,254
Profit before tax from continuing operations	69,813	26,594	209,025	108,669
Loss from discontinued operations	-	(5,826)	(238,784)	(19,398)
	69,813	20,768	(29,759)	89,271
Items not affecting cash:				
Depreciation and amortization	25,571	22,547	104,601	116,740
Equity-settled share-based payment expense	1,166	2,119	3,037	6,131
Net finance costs	(1,477)	(1,543)	(2,165)	(1,973)
Change in fair value of derivatives	(1,566)	(691)	4,298	(3,636)
Items reclassified from other comprehensive income	(4,697)	(485)	(2,212)	(5,429)
Impairment losses	3,612	-	13,426	-
Loss from discontinued operations	-	5,826	238,784	19,398
Gain on disposition	10	22	(2,453)	-
Other	11,010	9,184	(506)	(3,594)
Operating fees paid	373	(42)	(318)	(306)
Operating cash flows of discontinued operations	-	(10,923)	(2,126)	(13,322)
Change in non-cash working capital	(4,910)	2,367	15,791	7,619
Taxes paid	(1,802)	(6,879)	(90,179)	(15,736)
	97,103	42,270	250,219	195,163
Cash generated from (used in) investing activities:				
Interest received	4,004	2,227	8,468	5,664
Proceeds on disposition of assets	14,907	-	154,709	8,051
Acquisition of property, plant and equipment	(83,511)	(33,404)	(241,617)	(112,785)
Acquisition of intangible assets	(911)	(2,129)	(5,692)	(4,691)
Acquisition of investments	(4,033)	(12,341)	(44,488)	(52,619)
Acquisition of subsidiary, net of cash acquired	-	-	(94,855)	-
Release of restricted cash	2,581	57,138	2,713	54,626
Sale of short-term investments	-	-	20,115	-
Acquisition of non-controlling interests	-	-	(11,476)	-
Investing cash flows of discontinued operations	-	-	(7,163)	(94)
	(66,963)	11,491	(219,286)	(101,848)
Cash generated from (used in) financing activities:				
Repurchase of common shares	-	(2,985)	-	(63,294)
Share issue costs	-	-	(237)	-
Proceeds from exercise of stock options	-	2,902	145	5,253
Prepaid financing costs	(2,059)	(2,668)	(2,059)	(2,668)
Dividends paid	-	-	(34,346)	(14,901)
	(2,059)	(2,751)	(36,497)	(75,610)
Effect of movement in exchange rates on cash and cash equivalents				
	(93)	(1,056)	2,948	(2,826)
Net increase (decrease) in cash and cash equivalents	27,988	49,954	(2,616)	14,879
Cash and cash equivalents, beginning of year	871,089	851,739	901,693	886,814
Cash and cash equivalents, end of year	\$ 899,077	\$ 901,693	\$ 899,077	\$ 901,693