

## **Copper Mountain Mining Corporation – Court Approval Received**

**Vancouver, BC – June 15, 2023 – Copper Mountain Mining Corporation (TSX:CMMC | ASX:C6C)** (the “Company” or “Copper Mountain”) confirms that the Supreme Court of British Columbia has approved the previously announced business combination involving Copper Mountain and Hudbay Minerals Inc. (“Hudbay”), by way of a plan of arrangement of Copper Mountain pursuant to which Hudbay will acquire all of Copper Mountain’s issued and outstanding common shares (including CDIs) (the “Combination”). A copy of the endorsed final order is attached.

Pursuant to Listing Rule 17.2 and in accordance with the timetable approved by the Australian Securities Exchange (“ASX”), Copper Mountain has now formally requested that a suspension from official quotation be granted by the ASX in relation to Copper Mountain’s CHES Depositary Interests (“CDIs”), effective from close of trading today, 16 June 2023 (AEST).

The voluntary suspension is requested to allow the Australian completion process to occur in respect of the pending Combination between Copper Mountain and Hudbay, with the CDI Record Date being 20 June 2023 (AEST). It is currently anticipated that the effective date of the Combination will occur on or around 21 June 2023 (AEST), following which time Copper Mountain CDI holders will be issued common shares in the capital of Hudbay (“Hudbay Shares”), pursuant to the terms of the Combination, with the listing and normal trading of those Hudbay Shares on the Toronto Stock Exchange and New York Stock Exchange effective at the time of their issuance.

### **About Copper Mountain Mining Corporation**

Copper Mountain owns 75% of the Copper Mountain Mine, which is located in southern British Columbia near the town of Princeton. The Copper Mountain Mine produces approximately 100 million pounds of copper equivalent on average per year. Copper Mountain trades on the Toronto Stock Exchange under the symbol “CMMC” and Australian Stock Exchange under the symbol “C6C”.

Additional information is available on the Company’s web page at [www.CuMtn.com](http://www.CuMtn.com).

On behalf of the Board of

### **COPPER MOUNTAIN MINING CORPORATION**

*“Gil Clausen”*

Gil Clausen  
President and Chief Executive Officer

**For further information, please contact:**

Tom Halton

Director, Investor Relations and Corporate Communications

Telephone: 604-682-2992

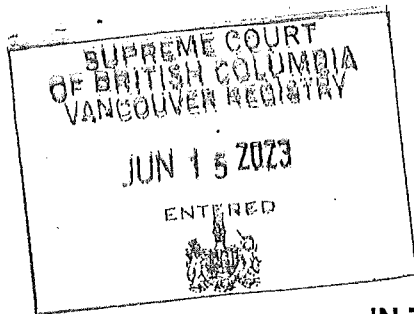
Email: [Tom.Halton@CuMtn.com](mailto:Tom.Halton@CuMtn.com)

**Cautionary Note Regarding Forward-Looking Statements**

This news release may contain “forward looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). These forward-looking statements are made as of the date of this news release and Copper Mountain does not intend, and does not assume any obligation, to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities legislation.

All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements relate to future events or future performance and reflect Copper Mountain’s expectations or beliefs regarding future events.

In certain circumstances, forward-looking statements can be identified by, but are not limited to, statements which use terminology such as “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes”, “forecasts”, “guidance”, “scheduled”, “target” or variations of such words, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this news release, certain forward-looking statements are identified, including consummation and timing of the closing of the Combination with Hudbay and dates and times of key events associated with the Combination with Hudbay, anticipated production at the Copper Mountain Mine, and expectations for other economic, business and/or competitive factors. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results, performance, achievements and opportunities to differ materially from those implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, among others, the successful exploration of the Company’s property in Canada, market price, continued availability of capital and financing and general economic, market or business conditions, the Company’s ability to comply with its financial covenants under its bond terms and meet its future cash commitments, extreme weather events, material and labour shortages, the protection of the Company’s IT systems or a component of such systems impacting the Company’s reputation and results of operations, the reliability of the historical data referenced in this document and risks set out in Copper Mountain’s public documents, including the management’s discussion and analysis for the quarter ended March 31, 2023 and the annual information form dated March 27, 2023, each filed on SEDAR under the Company’s issuer profile at [www.sedar.com](http://www.sedar.com). Although Copper Mountain has attempted to identify important factors that could cause the Company’s actual results, performance, achievements and opportunities to differ materially from those described in its forward-looking statements, there may be other factors that cause the Company’s results, performance, achievements and opportunities not to be as anticipated, estimated or intended. While the Company believes that the information and assumptions used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Accordingly, readers should not place undue reliance on the Company’s forward-looking statements.



No. S233568  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF SECTION 288 OF THE  
BUSINESS CORPORATIONS ACT, S.B.C. 2002, C. 57, AS AMENDED**

**AND**

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING COPPER  
MOUNTAIN MINING CORPORATION AND HUSBAY MINERALS INC.**

**COPPER MOUNTAIN MINING CORPORATION**

**PETITIONER**

**ORDER MADE AFTER APPLICATION  
(FINAL ORDER)**

BEFORE THE HONOURABLE

JUSTICE DOYLE

)  
)  
)

THURSDAY, THE 15<sup>TH</sup> DAY

OF JUNE, 2023

ON THE Petition of the Petitioner, Copper Mountain Mining Corporation ("**CMMC**"), dated May 11, 2023, for a final order in connection with the arrangement (the "**Arrangement**"), set out in the plan of arrangement, as amended, attached hereto as Schedule "A" (the "**Plan of Arrangement**"), coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Thursday, June 15, 2023, and on hearing Tevia Jeffries, counsel for CMMC, and Laura Bevan and Tom Friedland, counsel for Hudbay Minerals Inc. ("**Hudbay**"), and no one appearing on behalf of the holders of common shares of CMMC (the "**CMMC Shareholders**"), the holders of options to purchase CMMC Shares, the holders of phantom options of CMMC, the holders of deferred share units of CMMC, the holders of restricted share units of CMMC, the holders of phantom restricted share units of CMMC and the holders of performance share units of CMMC (together, the "**CMMC Incentive Awards**"), though duly served; AND UPON reading the material filed, including the Petition, the Interim Order of Master Vos in these proceedings made on May 15, 2023

(the "Interim Order"), the Affidavit #1 of Letitia Wong, sworn May 11, 2023, the Affidavit #1 of Laura Ferguson, affirmed May 11, 2023, and the Affidavit #2 of Letitia Wong, sworn June 13, 2023, together with the exhibits thereto;

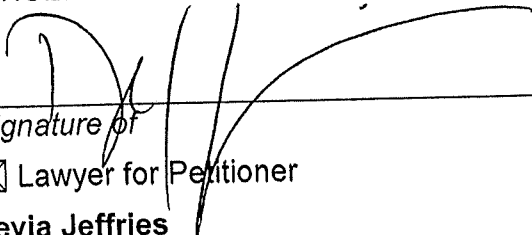
AND UPON BEING ADVISED by counsel for CMMC that it is the intention of the parties to rely on section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act"), and that the declaration of fairness of, and the approval of, the Arrangement by this Honourable Court will serve as the 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 in connection with the Arrangement;

**THIS COURT ORDERS AND DECLARES THAT:**

1. Pursuant to the provisions of section 291(4) of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "BCBCA"), the Arrangement set forth in the Plan of Arrangement, including the terms and conditions thereof, is procedurally and substantively fair and reasonable to all persons entitled to receive consideration in the exchanges provided for in the Plan of Arrangement.
2. Upon the implementation of the Arrangement as set forth in the Plan of Arrangement, the Arrangement shall be binding upon CMMC, the CMMC Shareholders and the holders of CMMC Incentive Awards.
3. The Arrangement shall be implemented in the manner and sequence set forth in the Plan of Arrangement, and pursuant to sections 291, 292 and 296 of the BCBCA. The Arrangement will become effective at the Effective Time, as that term is defined in the Plan of Arrangement, subject to the terms and conditions of the Arrangement Agreement dated as of April 13, 2023 between CMMC and Hudbay.
4. The Arrangement as provided for in the Plan of Arrangement be and is hereby approved pursuant to section 291 and 295 of the BCBCA.

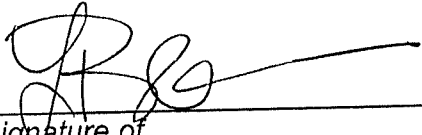
5. CMMC and Hudbay shall be entitled at any time to seek leave to vary this Order, to seek the advice and direction of this Court as to the implementation of the Order, or to apply for such other Order or Orders as may be appropriate.

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

☒ Lawyer for Petitioner

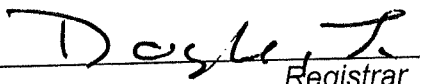
**Tevia Jeffries**

  
\_\_\_\_\_  
Signature of

☒ Lawyer for Hudbay Minerals Inc.

**Laura Bevan**

By the Court

  
\_\_\_\_\_  
Registrar



## **Schedule "A"**

### **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:

**"Adjustment Factor"** has the meaning given to it in the Company PSU Plan;

**"Amalco"** means the corporation to be formed pursuant to the Arrangement by the amalgamation of Hudbay Sub 1 and Hudbay Sub 2;

**"Applicable Withholdings"** means, in respect of a Company Incentive Award or a Hudbay Replacement Option, all income taxes and other statutory amounts required to be deducted and withheld on the exercise, cancellation or redemption thereof;

**"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 thereto 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, each acting reasonably);

**"Arrangement Agreement"** means the arrangement agreement dated April 13, 2023 between Hudbay and the Company to which this Plan of Arrangement is attached as Schedule A, including all schedules annexed thereto, together with the Company 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 Company Shareholders approving the Plan of Arrangement, which is to be considered and, if thought fit, passed at the Company Meeting, substantially in the form and content of Schedule B to the Arrangement Agreement;

**"ASX"** means the Australian Securities Exchange;

**"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 or decision 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) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

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

**“Company”** means Copper Mountain Mining Corporation, a corporation existing under the laws of the Province of British Columbia;

**“Company CDIs”** means CHESS Depositary Interest each representing a beneficial interest in a Company Share;

**“Company DSU Plan”** means the deferred share unit plan of the Company, effective January 1, 2019, as amended and restated;

**“Company DSU Value”** means, in respect of each Company DSU, the Company Share Value;

**“Company DSUs”** means the outstanding deferred share units granted under the Company DSU Plan;

**“Company Incentive Awards”** means, collectively, the Company DSUs, Company RSUs, Company Phantom RSUs, Company Options, Company Phantom Options and Company PSUs;

**“Company LTIP”** means the long-term incentive plan of the Company effective June 9, 2022;

**“Company Meeting”** means the special meeting of Company Shareholders, 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 Joint Circular and agreed to in writing by Hudbay;

**“Company Optionholder”** means a holder of Company Options;

**“Company Option Plan”** means the stock option plan of the Company effective June 13, 2011, as amended;

**“Company Options”** means the outstanding options to purchase Company Shares granted under the Company Option Plan;

**“Company Phantom Options”** means the outstanding phantom options to purchase Company Shares granted under individual award agreements from time to time by the Company or its Subsidiaries, as applicable;

**“Company Phantom Option Value”** means, in respect of a Company Phantom Option, the amount, if any, by which (a) the Company Share Value multiplied by the number of Company Shares notionally underlying such Company Phantom Option exceeds (b) the aggregate notional strike price of such Company Phantom Option;

**“Company Phantom RSU Plan”** means the phantom restricted share unit plan of Copper Mountain Mine (BC) Ltd., effective 2022;

**“Company Phantom RSU Value”** means, in respect of each Company Phantom RSU, the Company Share Value;

**“Company Phantom RSUs”** means the outstanding phantom restricted share units granted under the Company Phantom RSU Plan;

**“Company PSU Plan”** means the performance share unit plan of the Company, effective April 25, 2019, as amended;

**“Company PSUs”** means the outstanding performance share units granted under the Company PSU Plan and the Company LTIP;

**“Company RSU Plan”** means the restricted share unit plan of the Company, effective March 8, 2019;

**“Company RSU Value”** means, in respect of each Company RSU, the Company Share Value;

**“Company RSUs”** means the outstanding restricted share units granted under the Company RSU Plan, the Company Phantom RSU Plan and the Company LTIP;

**“Company Shareholders”** means the registered and/or beneficial holders of Company Shares, as the context requires;

**“Company Share Value”** means the volume-weighted average closing price of one Company Share on the TSX for the five trading days ending on the date that is three business days prior to the Effective Date;

**“Company Shares”** means the common shares in the capital of the Company and, where applicable, any corresponding Company CDIs posted for trading on the ASX under the symbol “C6C”;

**“Consideration”** means the consideration to be received by the Company Shareholders pursuant to this Plan of Arrangement for their Company Shares, consisting of 0.381 Consideration Shares for each Company Share (subject to adjustment pursuant to Section 2.13 of the Arrangement Agreement);

**“Consideration Shares”** means the Huidbay Shares to be issued to Company Shareholders pursuant to this Plan of Arrangement;

**“Court”** means the Supreme Court of British Columbia;

**“Depositary”** means Computershare Investor Services Inc., or such other Person as the Parties may appoint (acting reasonably) to act as depositary in respect of the Arrangement;

**“Dissent Rights”** has the meaning ascribed thereto in Section 4.1(a);

**“Dissent Shares”** means Company Shares held by a Dissenting Shareholder in respect of which the Dissenting Shareholder has validly exercised Dissent Rights;

**“Dissenting Shareholder”** means a registered Company Shareholder 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 dissent and who is ultimately determined to be entitled to be paid the fair value of its Company Shares, but only in respect of the Dissent Shares;

**“DRS Advice”** has the meaning specified in Section 3.1;

**“Effective Date”** means the date upon which the Arrangement becomes effective in accordance with Section 2.11(a) of the Arrangement Agreement;

**“Effective Time”** means 12:01 a.m. on the Effective Date or such other time as the Parties agree to in writing before the Effective Date;

**“Exchange Ratio”** means 0.381 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 contemplated by Section 2.7 of the Arrangement Agreement, in a form and substance acceptable to the Company and Hudbay, each acting reasonably, approving the Arrangement, as such order may be amended, supplemented, modified or varied by the Court (with the consent of both the Company and Hudbay, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and Hudbay, each acting reasonably) on appeal;

**“Governmental Entity”** means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, ministry bureau, agency or entity, domestic or foreign; (b) any stock exchange, including the TSX, the NYSE and the ASX; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body 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 Replacement Options”** means the options to acquire Hudbay Shares to be issued in exchange for Company Options pursuant to this Plan of Arrangement;

**“Hudbay Replacement Option Value”** means, in respect of a Hudbay Replacement Option, the amount, if any, by which (a) the Hudbay Share Value multiplied by the number of Hudbay Shares for which such Hudbay Replacement Option may be exercised exceeds (b) the aggregate exercise price of such Hudbay Replacement Option;

**“Hudbay Share Value”** means the Company Share Value divided by the Exchange Ratio;

**“Hudbay Shares”** means the common shares in the capital of Hudbay;

**“Hudbay Sub 1”** means a company to be formed by Hudbay under the laws of British Columbia, which shall have an authorized share structure comprising an unlimited number of common shares without par value, and the special rights or restrictions, if any, set forth in its notice of articles, one of which shall initially be issued to and owned by Hudbay;

**“Hudbay Sub 2”** means a company to be formed by Hudbay under the laws of British Columbia, which shall have an authorized share structure comprising an unlimited number of common shares without par value, and the special rights or restrictions, if any, set forth in its notice of articles, one of which shall initially be issue to and owned by Hudbay;

**“In-The-Money Value”** means, in respect of a stock option at a particular time, the amount, if any, by which (a) the aggregate fair market value at that time of the stock subject to such option exceeds (b) the exercise price of such option;

**“including”** means including without limitation, and **“include”** and **“includes”** have a corresponding meaning;

**“Interim Order”** means the interim order of the Court to be issued 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 and Hudbay Replacement Options granted pursuant to Section 2.3(i), 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 consent of 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, that are binding upon or applicable to such Person or its business, and the terms and conditions of any Authorization of or from any Governmental Entity, and, for greater certainty, includes Securities Laws and applicable common law, 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 Letter of Transmittal to be delivered by the Company to Company Shareholders for use in connection with the Arrangement;

**“Liens”** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and 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;

**"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 Company Shareholder that is a registered holder of Company Shares to the Company setting forth such Company Shareholder's objection to the Arrangement Resolution and exercise of Dissent Rights;

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

**"Performance Multiplier"** has the meaning given to it in the Company LTIP;

**"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 this plan of arrangement or upon the direction of the Court in the Final Order with the consent of the Company and Hudbay, each acting reasonably, and references to **"Article"** or **"Section"** mean the specified Article or Section of this Plan of Arrangement;

**"Subsidiary"** has the meaning ascribed thereto in section 1.1 of NI 45-106; and, for certainty, Copper Mountain Mine (BC) Ltd. is a Subsidiary of the Company;

**"Tax Act"** means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

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

**"U.S. Securities Act"** means the United States *Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder.

## **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**

A reference to a statute includes all rules and regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.

#### **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 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**

This 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, Hudbay Sub 1, Hudbay Sub 2, the Depositary, the Company Shareholders, including the Dissenting Shareholders, and the holders of Company 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:

- (a) Notwithstanding any vesting or exercise or other provisions to which a Company Phantom Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company Phantom Option Plan), each Company Phantom Option shall be deemed to be fully vested on the Effective Date and shall, without any further action by or on behalf of a holder, 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 in exchange therefor a cash payment from the Company equal to (A) the aggregate Company Phantom Option Value of the holder's Company Phantom Options, less (B) the Applicable Withholdings (which Applicable Withholdings shall be remitted to the applicable Governmental Entity on behalf of the holder), whereupon the name of such Company Phantom Option holder shall be removed from the register of Company Phantom Options maintained by Copper Mine (BC) Ltd., and each Company Phantom Option shall immediately be cancelled and all agreements relating to the Company Phantom Options shall be terminated and shall be of no further force and effect.
- (b) Notwithstanding any vesting or exercise or other provisions to which a Company Phantom RSU might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company Phantom RSU Plan), each Company Phantom RSU shall be deemed to be fully vested on the Effective Date and shall, without any further action by or on behalf of a holder, 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 in exchange therefor a cash payment from the Company, or a Subsidiary thereof, equal to (A) the aggregate Company Phantom RSU Value of the holder's Company Phantom RSUs, less (B) the Applicable Withholdings (which Applicable Withholdings shall be remitted to the applicable Governmental Entity on behalf of the holder), whereupon the name of such Company Phantom RSU holder shall be removed from the register of Company Phantom RSUs maintained by Copper Mine (BC) Ltd., and the Company Phantom RSU Plan, and each Company Phantom RSU shall immediately be cancelled and all agreements relating to the Company Phantom RSUs shall be terminated and shall be of no further force and effect.

- (c) Notwithstanding any vesting or exercise or other provisions to which a Company RSU might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company RSU Plan or the Company LTIP, as applicable), each Company RSU shall be deemed to be fully vested on the Effective Date and shall, without any further action by or on behalf of a holder, 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 in exchange therefor and the Company shall issue in settlement of the holder's Company RSUs that number of Company Shares to which the holder would otherwise be entitled to receive under the Company RSU Plan in respect of each Company RSU, whereupon the name of such Company RSU holder shall be removed from the register of Company RSUs maintained by the Company, and the Company RSU Plan, and each Company RSU shall immediately be cancelled and all agreements relating to the Company RSUs shall be terminated and shall be of no further force and effect, and the holder shall be and shall be deemed to be the holder of that number of Company Shares issued herein.
- (d) Notwithstanding any vesting or exercise or other provisions to which a Company DSU might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company DSU Plan), each Company DSU shall, without any further action by or on behalf of a holder, be deemed to be fully vested on the Effective Date 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 in exchange therefor a cash payment from the Company equal to (A) the aggregate Company DSU Value of the holder's Company DSUs, less (B) the Applicable Withholdings (which Applicable Withholdings shall be remitted to the applicable Governmental Entity on behalf of the holder), whereupon the name of such Company DSU holder shall be removed from the register of Company DSUs maintained by the Company, and the Company DSU Plan and each Company DSU shall immediately be cancelled and all agreements relating to the Company DSUs shall be terminated and shall be of no further force and effect.
- (e) Notwithstanding any vesting or exercise or other provisions to which a Company PSU might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company PSU Plan or the Company LTIP, as applicable), each Company PSU shall, without any further action by or on behalf of a holder, be deemed to be fully vested on the Effective Date and shall be transferred and assigned by the holder thereof, free and clear of any Liens, to the Company, the Adjustment Factor or the

Performance Multiplier, as applicable, shall be deemed to be 100%, and the holder thereof shall be entitled to receive in exchange therefor and the Company shall issue in settlement of the holder's Company PSUs that number of Company Shares to which the holder would otherwise be entitled to receive under the Company PSU Plan in respect of each Company PSU, whereupon the name of such Company PSU holder shall be removed from the register of Company PSUs maintained by the Company, and the Company PSU Plan and the Company LTIP and each Company PSU shall immediately be cancelled and all agreements relating to the Company PSUs shall be terminated and shall be of no further force and effect, and the holder shall be and shall be deemed to be the holder of that number of Company Shares issued herein.

- (f) Each Dissent Share shall be transferred and assigned by the holder thereof without any further act or formality on its part, free and clear of all Liens, to Hudbay in accordance with, and for the consideration contemplated in, Section 4.1, and:
  - (i) such Dissenting Shareholder shall 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 register of the Company Shareholders 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;
  - (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) Hudbay 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.
- (g) Each Company Shareholder, other than Hudbay and a Dissenting Shareholder but including those holders that were issued Company Shares under Sections 2.3(c) and 2.3(e), shall transfer and assign their Company Shares, free and clear of any Liens, to Hudbay in exchange for the Consideration 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 register of Company Shareholders; and
  - (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,

and Hudbay shall be the holder of all of the outstanding Company Shares, free and clear of all Liens, and the central securities register of the Company shall be revised accordingly.

- (h) Notwithstanding any vesting or exercise or other provisions to which a Company Option might otherwise be subject (whether by contract, the conditions of grant, applicable Law or the terms of the Company Option Plan), each Company Option outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder, be exchanged for a Hudbay Replacement Option exercisable to purchase from Hudbay the number of Hudbay Shares equal to the product of (A) the number of Company Shares subject to the Company Stock Option immediately before the Effective Time multiplied by (B) the Exchange Ratio (provided that if the foregoing would result in the issuance of a fraction of a Hudbay Share on any particular exercise of Hudbay Replacement Options, then the number of Hudbay Shares otherwise issued shall be rounded down to the nearest whole number of Hudbay Shares). The exercise price per Hudbay Share subject to any such Hudbay Replacement Option shall be an amount equal to the quotient of (X) the exercise price per Company Share underlying the exchanged Company Option immediately prior to the Effective Time divided by (Y) the Exchange Ratio (provided that the aggregate exercise price payable on any particular exercise of Hudbay Replacement Options shall be rounded up to the nearest whole cent). It is intended that (i) the provisions of subsection 7(1.4) of the Tax Act apply to the aforesaid exchange of options and (ii) such exchange of options be treated as other than the grant of a new stock right or a change in the form of payment pursuant to section 1.409A-1(b)(5)(v)(D) of the U.S. Treasury Regulations. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Hudbay Replacement Option will be adjusted such that the In-The-Money Value of the Hudbay Replacement Option immediately after the exchange does not exceed the In-The-Money Value of the Company Option for which it was exchanged immediately before the exchange. All terms and conditions of a Hudbay Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Company Option for which it was exchanged, and shall be governed by the terms of the applicable Company Option Plan and any document evidencing a Company Option shall thereafter evidence and be deemed to evidence such Hudbay Replacement Option.
- (i) Notwithstanding any vesting or exercise or other provisions to which a Hudbay Replacement Option might otherwise be subject, each Hudbay Replacement Option shall be deemed to be fully vested on the Effective Date and, without any further action by or on behalf of a holder of a Hudbay Replacement Option, the holder's Hudbay Replacement Options shall either: (A) if prior to the time of the step contemplated in this Section 2.3(i) Hudbay has received notice of the exercise of the holder's Hudbay Replacement Options and the holder has paid the required exercise price to Hudbay, be exercised and the holder shall be entitled to receive the Hudbay Shares issuable pursuant to the exercise of such Hudbay Replacement Options; or (B) in any other case, be transferred and assigned by the holder, free and clear of any Liens, to Hudbay and the holder shall be entitled to receive in exchange therefor a cash payment from Hudbay equal to (X) the aggregate Hudbay Replacement Option Value of the holder's Hudbay Replacement Options, less (Y) the Applicable Withholdings (which Applicable Withholdings shall be remitted to the applicable Governmental Entity on behalf of the holder); and the name of the holder shall be removed from the register of options maintained by Hudbay, and each Hudbay Replacement Option shall immediately be

cancelled and all agreements relating to the Hudbay Replacement Options shall be terminated and shall be of no further force and effect.

- (j) All of the Company Shares held by Hudbay shall be transferred and assigned by Hudbay to Hudbay Sub 2 in exchange for 100,000 common shares of Hudbay Sub 2.
- (k) At 12:01 a.m. on the day following the Effective Date, or such other time as the Company and Hudbay may agree in writing and prior to the Effective Time, the notice of articles of the Company shall be altered to the extent necessary for the Company to become an unlimited liability company as contemplated pursuant to Section 51.31(1) of the BCBCA, such that (i) the statement required under Section 51.11 of the BCBCA shall be included in the notice of articles of the Company; and (ii) the name of the Company shall be changed to "Copper Mountain Mining ULC" and the Company shall thereupon be an unlimited liability company under the BCBCA and, as soon as practicable thereafter, Hudbay Sub 2, as sole shareholder of the Company, shall return all share certificates representing Company Shares for inclusion on the face of each such certificate the statement required pursuant to Section 51.2 of the BCBCA.
- (l) Five minutes following the preceding step, Hudbay Sub 1 and the Hudbay Sub 2 shall be amalgamated and continue as Amalco and:
  - (i) the property, rights and interests of each of Hudbay Sub 1 and Hudbay Sub 2 will continue to be the property, rights and interests of Amalco;
  - (ii) Amalco will continue to be liable for the obligations of each of Hudbay Sub 1 and Hudbay Sub 2;
  - (iii) existing causes of action, claims or liabilities to prosecution are unaffected;
  - (iv) legal proceedings being prosecuted or pending by or against Hudbay Sub 1 or Hudbay Sub 2 may be prosecuted, or their prosecution may be continued, as the case may be, by or against Amalco;
  - (v) convictions against, or rulings, orders or judgments in favour of or against, Hudbay Sub 1 or Hudbay Sub 2 may be enforced by or against Amalco;
  - (vi) each issued and outstanding common share of Hudbay Sub 2 immediately prior to the amalgamation will be cancelled on the amalgamation without any repayment of capital in respect thereof;
  - (vii) Amalco's authorized share structure will be the same as that of Hudbay Sub 1 immediately prior to the amalgamation, being an unlimited number of common shares without par value having the same special rights and restrictions, if any, as those attached to Hudbay Sub 1's common shares immediately prior to the amalgamation (the "**Amalco Common Shares**");

- (viii) any issued and outstanding common shares in the capital of Hudbay Sub 1 immediately prior to the amalgamation will survive and continue as Amalco Common Shares without amendment;
- (ix) no securities will be issued and no assets will be distributed by Amalco in connection with the amalgamation;
- (x) the name of Amalco will be Hudbay British Columbia Inc.;
- (xi) the registered and records office of Amalco will be Suite 1600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2;
- (xii) in accordance with subsection 282(1)(b)(iii) of the BCBCA, the notice of articles of Amalco will be the same as the notice of articles of Hudbay Sub 1 immediately prior to the amalgamation of Hudbay Sub 1 and Hudbay Sub 2;
- (xiii) in accordance with subsection 282(1)(c)(iv) of the BCBCA, the articles of Amalco will be the same as the articles of Hudbay Sub 1 immediately prior to the amalgamation of Hudbay Sub 1 and the Hudbay Sub 2;
- (xiv) the board of directors of Amalco shall consist of three directors, until changed in accordance with the BCBCA and the articles of Amalco. The first directors of Amalco shall be Peter Kukielski, Patrick Donnelly and Eugene Lei; and
- (xv) the first officers of Amalco shall be Peter Kukielski (President and Chief Executive Officer), Patrick Donnelly (Senior Vice President, Legal and Organizational Effectiveness), Eugene Lei (Chief Financial Officer) and Mark Haber (Executive Director, Legal and Corporate Secretary).

### **ARTICLE 3 DELIVERY OF CONSIDERATION**

#### **3.1 Deposit of Consideration**

- (a) Following receipt of the Final Order and no later than the business day prior to the Effective Date, Hudbay shall deposit in escrow, or cause to be deposited in escrow: (i) with the Depositary, sufficient Hudbay Shares to satisfy the (A) Consideration payable to the Company Shareholders in accordance with Section 2.3, and (B) Hudbay Shares issuable in connection with any Hudbay Replacement Options in respect of which an election has been made in accordance with Section 2.3(i)(A); and (ii) with the Company, solely for disbursement on behalf of Hudbay pursuant to Section 2.3(i) and for no other reason, sufficient cash payable in connection with any Hudbay Replacement Options in accordance with Section 2.3(i)(B), which shall be held by the Depositary or the Company, as applicable, in escrow as agent and nominee for such former Company Shareholders and former Company Optionholders for distribution to such former Company Shareholders and former Company Optionholders in accordance with the provisions of this Article 3.

- (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 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), the Consideration that such holder has the right to receive, 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 Company, the Consideration that such holder has the right to receive, subject to Section 2.3, 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), 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, less any amounts withheld pursuant to Section 3.7.
- (e) Upon receipt from Hudbay of a direction specifying the Company Optionholders entitled to receive Hudbay Shares or cash in connection with their Hudbay Replacement Options in accordance with Section 2.3(i), the Depositary or the Company, as applicable, shall deliver to such Company Optionholders the Hudbay Shares or cash indicated in the direction; provided that, if an election is made by a Company Optionholder pursuant to Section 2.3(i)(A) following the date on which the treasury notice is delivered to the Depositary in accordance with this Section 3.1, Hudbay shall take such steps as are necessary to give effect to such election.

### **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 which immediately prior to the Effective Time represented outstanding Company Shares that were exchanged for Consideration Shares pursuant to Section 2.3(g) until the holder of such certificate shall surrender such certificate in accordance with Section 3.1. Subject to applicable law, at the time of such surrender of any such certificate (or, in the case of clause (ii) below, at the appropriate payment date), there shall be paid to the holder of the certificates representing Company Shares that were exchanged for Consideration Shares

pursuant to Section 2.3(g), 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 issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares.

### **3.4 No Fractional Shares**

No fractional Consideration Shares shall be issued upon the exchange of Company Shares pursuant to Sections 2.3(g) and 3.1. The number of Hudbay Shares to be issued to a Company Shareholder pursuant to Sections 2.3(g) and 3.1 shall be rounded up to the nearest whole Hudbay Share in the event that a Company Shareholder is entitled to a fractional share representing 0.5 or more of a Hudbay Share and shall be rounded down to the nearest whole Hudbay Share in the event that a Company Shareholder is entitled to a fractional share representing less than 0.5 of a 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(g) 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. 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(g) that is not deposited with all other instruments required by Section 3.1 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 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. 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 Person on their behalf, shall be entitled to deduct and withhold from any amounts payable to any Person pursuant to the Arrangement or under this Plan of Arrangement (including without limitation, any amounts payable pursuant to Section 2.2, Article 3 and Article 4 of this Plan of Arrangement), and from all dividends, interest, and other amounts payable or distributable to former Company Shareholders or former Company Optionholders, or holders of rights under any Company Equity Incentive Plans, such amounts as Hudbay, the Company, the Depositary, 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 United States Internal Revenue Code of 1986, or any provision of local, state, federal, provincial or foreign 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 (or other entitlements hereunder) 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. For greater certainty and without limiting the generality of the foregoing, in order to fund any Applicable Withholdings in respect of the transactions described in Sections 2.3(c) and 2.3(e), Hudbay shall be permitted to withhold from the Hudbay Shares that are issued to the former holders of Company RSUs and Company PSUs under this Plan, or to arrange for such withholding (including through the Depositary), and to sell such Hudbay Shares, or arrange for such Hudbay Shares to be sold, on behalf of such former holders, for cash proceeds that will be used to satisfy such Applicable Withholdings. Any cash proceeds that remain after satisfying such Applicable Withholdings shall be delivered to such former holders.

### **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 Company Shareholder or other Persons depositing certificates or DRS Advices pursuant to this Plan of Arrangement in respect of Company Shares or holders of Company Incentive Awards.

## **ARTICLE 4 RIGHTS OF DISSENT**

### **4.1 Dissent Rights**

- (a) Pursuant to the Interim Order, Company Shareholders who are registered holders of Company Shares may exercise rights of dissent in connection with the Arrangement (“Dissent Rights”) under Division 2 of Part 8 of the BCBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to all (but not less than all) of the Company Shares held, provided that the Notice of Dissent contemplated by section 242 of the BCBCA must be received by the Company by 4:00 p.m. on the date that is at least two business days prior to the date of the Company Meeting or any date to which the Company Meeting may be postponed or adjourned and provided further that holders who duly exercise such Dissent Rights and who:
  - (i) are ultimately entitled to be paid the fair value of their Dissent Shares by Hudbay:
    - (A) will be entitled to be paid the fair value of such Dissent Shares by Hudbay, 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(f), if applicable); (C) shall be deemed to have transferred and assigned such Dissent Shares, free and clear of any Liens to Hudbay in accordance with Section 2.3(f); and (D) 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 Company Shares; and
  - (ii) are ultimately not entitled, for any reason, to be paid fair value for their 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(g) 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.

- (c) In no case shall Hudbay, the Company or any other Person be required to recognize holders of Company Shares who exercise Dissent Rights as holders of Company Shares after the time that is immediately prior to the Effective Time, and the names of the 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(g) occurs.
- (d) For greater certainty, (i) no holder of Company Incentive Awards shall be entitled to Dissent Rights in respect of such holder's Company Incentive Awards, and (ii) in addition to any other restrictions under the Interim Order and section 238 of the BCBCA, no holders of Company Shares who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution shall be entitled to exercise 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 Company Shares and Company Incentive Awards issued prior to the Effective Time, and (b) the rights and obligations of the holders of Company Shares and Company Incentive Awards, and the Company, Hudbay, 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 Company Incentive Awards, shall be solely as provided for in this Plan of Arrangement.

### **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, 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 Company Meeting, approved by the Court, and (iii) communicated to Company Shareholders and the holders of Company Incentive Awards 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 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 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 Company 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 Company Shareholders 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 Company Shareholders, 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 Company Shareholders.
- (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.

### **5.4 Plan of Reorganization**

- (a) The transfer of Company Shares to Hudbay and the amalgamation of Hudbay Sub 1 and Hudbay Sub 2 pursuant to this Plan of Arrangement are intended to constitute a single integrated transaction for U.S. federal income tax purposes and qualify as a reorganization within the meaning of Section 368(a) of the Code.
- (b) The contribution of Company Shares to Hudbay Sub 2 and the conversion of the Company to an unlimited liability company pursuant to this Plan of Arrangement are intended to qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code.
- (c) The Arrangement Agreement and this Plan of Arrangement are intended to be a "plan of reorganization" with respect to each such reorganization within the meaning of the U.S. Treasury Regulations promulgated under Section 368 of the U.S. Code.

**ARTICLE 6**  
**U.S. SECURITIES LAW EXEMPTION**

**6.1 U.S. Securities Law Exemption**

Notwithstanding any provision herein to the contrary, the Company and Huidbay 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, (i) all Consideration Shares issued under the Arrangement will be issued by Huidbay in exchange for Company Shares, and (ii) all Huidbay Replacement Options granted under the Arrangement will be granted by Huidbay in exchange for Company Options, in each case, 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.