



Economic Impact Study of the Copper Mountain Mine

Prepared for Hudbay Minerals Inc.

By Mansfield Consulting Inc.

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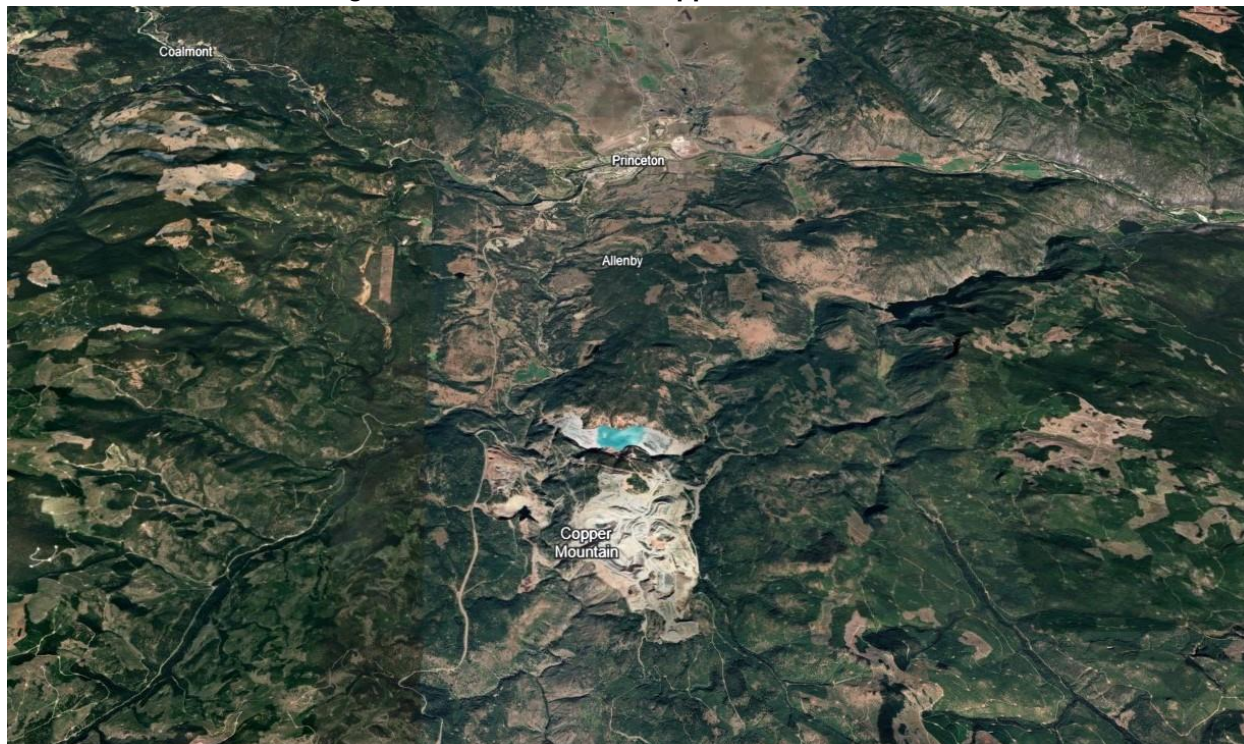
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1 INTRODUCTION¹

1.1 About the Copper Mountain Mine

The Copper Mountain Mine (CMM) is one of the largest copper mines in Canada and is an important contributor to regional, provincial, and national economies. The mine is located approximately 20 kilometres south of Princeton, BC, and its operations include a series of open pits and an ore processing plant. The CMM has a projected mine life through 2043, with the potential for future extension through additional measured, indicated, and inferred resources.

Figure 1. Location of the Copper Mountain Mine²



1.2 About Hudbay Minerals Inc.

Hudbay Minerals Inc. (Hudbay) is a copper-focused critical minerals company with three long-life operations and a pipeline of copper growth projects in Canada, Peru, and the United States. Hudbay acquired Copper Mountain Mining Corporation in June 2023 to obtain a seventy-five percent interest in the CMM, with the remaining twenty-five percent interest being held by Mitsubishi Materials Corporation. In April 2025, Hudbay acquired the remaining twenty-five percent interest from Mitsubishi Materials Corporation to become the sole owner of the CMM.

¹ Information in this section was obtained from materials provided by Hudbay.

² View from Google Earth.

1.3 Study Scope

The scope of the study included:

- **Estimation of the economic impacts created by the CMM in 2024.** The economic impacts created by the CMM include economic output, GDP, employment, labour income, and government tax revenues. The study estimated the economic impacts created within BC, as well as the economic impacts created in other regions across Canada through the effect of supply chains and employee spending.
- **Projection of the future economic impacts created by the CMM.** The projection of future economic impacts was based on information published by Hudbay and on assumptions regarding future metal prices.
- **Analysis of regional employment impacts created by the CMM.** The employment impacts created by the CMM in the Greater Princeton Area and the Okanagan-Similkameen Regional District were analyzed and compared with the employment created by major industries within those regions.

1.4 Report Limitations

This report is provided for information purposes and is intended for general guidance only. It should not be regarded as a substitute for business or investment advice.

In preparing the report, Mansfield Consulting Inc. has relied upon information and data obtained from Hudbay Minerals Inc. and public sources believed to be accurate. The accuracy and reliability of the findings and opinions expressed in the report are conditional upon the completeness, accuracy, and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions for business or investment purposes and disclaim any liability to any party that relies upon them as such.

The findings and opinions expressed in the report constitute judgments as of the date of the report and are subject to change without notice. Mansfield Consulting Inc. is under no obligation to advise of any change brought to its attention that would subsequently alter those findings or opinions.

The analysis presented in this report is based upon projections founded on past events, giving an expectation of certain future events. Future events are not guaranteed to follow past patterns, and results may vary, even significantly. We express no assurance as to whether the projections underlying the analysis, findings or opinions will be achieved.

2 ECONOMIC IMPACT ANALYSIS

2.1 Overview

Economic impact analysis is used to estimate the economic contributions that an industry, business, or project makes to a region. In general, economic impacts are viewed as consisting of well-established, quantitative measures of economic activity. The most common of these measures are economic output, GDP, labour income, employment, and government tax revenue:

- **Economic Output** is the total gross value of goods and services produced by a given industry, business, or project. This is the broadest measure of economic activity. *For example, a bakery buys flour and other ingredients for \$1.00 and uses them to produce a loaf of bread, which is then sold for \$1.50. The economic output generated is \$1.50, as that is the gross value of the goods produced.*
- **Gross Domestic Product (GDP)**, or value-added, refers to the incremental value of a good or service over the cost of inputs used to produce it. As a result, GDP is equivalent to the unduplicated value of goods and services produced by a given industry, business, or project. *For example, a bakery buys flour and other ingredients for \$1.00 and uses them to produce a loaf of bread, which is then sold for \$1.50. The GDP generated by the bakery is \$0.50, which represents the value added by the bakery to the ingredients.*
- **Labour income** is the total amount of wages and salaries paid to staff and employees.
- **Employment** is measured as the number of additional jobs³ that are created by an industry, business, or project. *Please note that one job is equivalent to one person-year of employment.*
- **Government Tax Revenues** are the total amount of tax revenues generated by a given industry, business, or project for federal, provincial, and local governments.⁴

Economic impacts may be estimated at the direct, indirect, and induced levels.

- **Direct impacts** are changes that occur with “front-end” businesses that initially receive operating revenues and incur expenditures. *During the development of a mine, direct impacts occur with the mine owner and with other businesses that receive a portion of the initial spending on a project (for example, engineering companies engaged to help develop a project). During the operation of a mine, direct impacts occur with the mine owner and with other businesses that receive a portion of the mine revenues.*

³ In this study, employment is measured in terms of jobs, which aligns with the employment economic impact statistics currently reported by Statistics Canada. Statistics Canada’s employment economic impact statistics were previously reported in terms of full-time equivalents (FTEs). Statistics Canada reports that, on average, employees in mining work about ten percent more hours per year than an FTE; consequently, one direct job in mining would equate to about 1.1 direct FTEs.

⁴ In this study, government revenues are estimated using a combination of Statistics Canada input-output multipliers and direct calculations. Government revenues include taxes on products, taxes on production, personal income taxes, corporate income taxes, and mining taxes.

- **Indirect impacts** are changes that occur with suppliers of the front-end businesses. *During the development or operation of a mine, indirect impacts occur with suppliers of goods and services to the mine.*
- **Induced impacts** are changes that occur in the general economy through the spending by employees of front-end businesses and suppliers. *During the development or operation of a mine, induced impacts result from the spending of mine employees and employees of mine suppliers in the general economy.*

The sum of direct impacts, indirect impacts and induced impacts is referred to as total impacts.

2.2 Input-Output Modelling

The estimates of the economic impacts for the study were developed using an input-output modelling approach based on economic impact statistics known as “economic impact multipliers” that are published by Statistics Canada. Input-output modelling is a widely used method which facilitates comparisons between reported results for different industries, businesses, and projects.⁵

2.3 Limitations of Economic Impact Analysis

While an economic impact analysis provides useful insights, it is important to bear in mind its limitations. First, economic impact analysis produces estimates, not precise totals. Consequently, to borrow a concept from statistical sampling, the results of an economic impact analysis should be viewed as coming with a “margin of imprecision.”⁶ While economic impact analysis has been shown to provide reliable approximations of economic effects, those approximations should not be considered as being exact or, in some sense, audited.

Second, economic impact analysis does not address all economic effects that an industry, business, or project may create. For example, economic impact analysis does not report on such things as the economic effects of community reinvigoration or improvements in service delivery. Consequently, when assessing the overall economic effect of an industry, business, or project, it may be appropriate to augment the results of an economic impact analysis with other types of complementary analysis.

⁵ The economic impact multipliers used in the study are from Statistics Canada, Table 36-10-0595-01, Input-output multipliers, provincial and territorial, detailed level. Provincial multipliers for BC. Release date: 2024-11-14. Please note that due to reporting lags, Statistics Canada’s economic impact multipliers normally reflect the structure of the economy as it existed a few years before the date of the economic impact analysis. The analysis used Statistics Canada multipliers for 2021, as they were the most recent multipliers available at the time of the study.

⁶ A statistical sample has an associated “margin of error” that can be calculated using statistical theory. The use of the term “margin of imprecision” in this report is intended to reflect the fact that the results of an economic impact analysis come with a level of uncertainty. However, unlike a statistical sample, the uncertainty in an economic impact analysis cannot be calculated from theory.

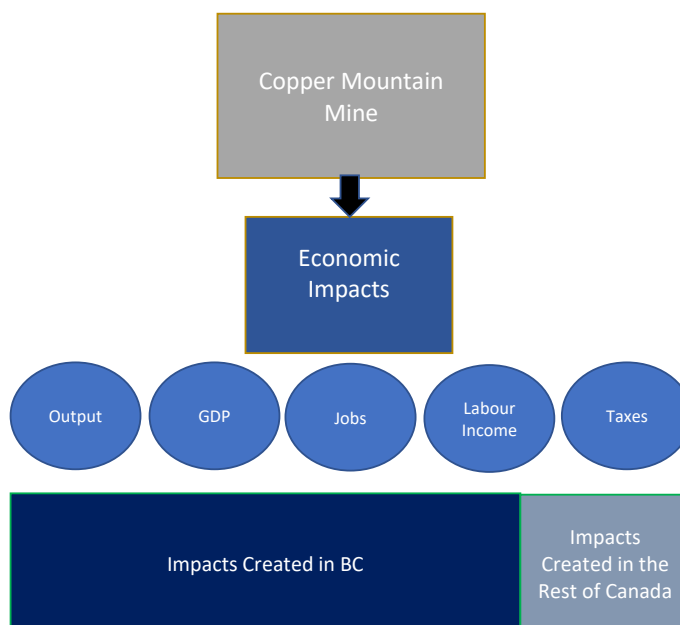
3 GEOGRAPHIC REACH OF THE ECONOMIC IMPACTS CREATED BY THE COPPER MOUNTAIN MINE

3.1 BC and Across Canada Economic Impacts

As noted earlier, there are three levels of impacts that may be estimated through economic impact analysis: direct impacts, indirect impacts, and induced impacts. Direct impacts (impacts that occur with “front-end” businesses) are realized where those businesses have their operations. Indirect impacts (impacts that occur with suppliers) are realized where suppliers have their operations. Induced impacts (impacts that occur in the general economy) are realized wherever employees spend their income.

For the CMM, all direct impacts are assumed to be realized within BC. In contrast, indirect and induced impacts are realized both in BC and in other regions across Canada due to the effects of supply chains and employee spending patterns. The following figure illustrates the geographic reach of the economic impacts created by the CMM.

Figure 1. Geographic Reach of Economic Impacts Created by the CMM



3.2 Greater Princeton and Okanagan-Similkameen Economic Impacts

The majority of mine employees live in the Greater Princeton Area and other communities located in the Okanagan Similkameen Regional District.⁷ As well, many suppliers are also based in the Greater Princeton Area and other Okanagan-Similkameen communities. Consequently, substantial economic impacts from the CMM are realized in the Greater Princeton Area and in other Okanagan-Similkameen communities.

⁷ In this report, the Greater Princeton Area is defined to consist of the Town of Princeton, the Village of Keremeos, and Electoral Areas B, G and H of the Okanagan-Similkameen Regional District. As defined, the Greater Princeton Area encompasses most of the western portion of the Okanagan-Similkameen Regional District. In addition to the Greater Princeton Area, the Okanagan-Similkameen Regional District also includes Electoral Areas A, C, D, E, F, and I, which contain the larger population centres of Penticton, Summerland, Osoyoos, and Oliver. For more information, please see the map of the Okanagan-Similkameen Regional District in Appendix B.

4 2024 ESTIMATED ECONOMIC IMPACTS

4.1 Mine Revenues and Workforce in 2024

Mine revenues and the number of mine employees were higher in 2024 than in 2023. Mine revenues were reported at approximately \$381 million in 2024 (up from \$371 million in 2023), while the number of mine employees was reported at 681 (up from 547 in 2023). Mine labour expenditures were reported at \$82 million (up from \$72 million in 2023).⁸

Table 1 displays the mine revenues and workforce figures for 2024 and compares them with the corresponding figures for 2023.

Table 1. Metal Production and Mine Workforce in 2024

	2023	2024
Mine Revenues (CAD)	\$371 million	\$381 million
Number of Mine Employees (Direct Employment)	547	681
Mine Labour Expenditures (CAD)	\$72.0 million	\$82.0 million

⁸ Communication from the CMM.

4.2 Estimated Economic Impacts in BC and Canada in 2024

The estimated economic impacts of the CMM in BC and Canada in 2024 are summarized in Table 2 and include:

- Total economic output of \$687.3 million in BC and \$752.1 million in Canada.
- Total GDP of \$411.5 million in BC and \$438.4 million in Canada.
- Total labour income of \$171.5 million in BC and \$183.7 million in Canada.
- Total employment of 1,946 jobs in BC and 2,115 in Canada.
- Total tax revenues of \$83.4 million in BC and \$89.2 million in Canada.

Table 2. 2024 Economic Impacts of the CMM in BC and Canada

Within BC Impacts							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$381.0	\$232.4	\$82.0	681	\$17.1	\$12.6	\$0.6
Indirect	\$230.9	\$130.2	\$69.9	902	\$18.1	\$13.3	\$2.5
Induced	\$75.4	\$48.9	\$19.6	363	\$8.4	\$8.9	\$1.9
Total	\$687.3	\$411.5	\$171.5	1,946	\$43.6	\$34.8	\$5.0
Impacts in Other Regions in Canada							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$0.0	\$0.0	\$0.0	0	\$0.0	\$0.0	\$0.0
Indirect	\$35.1	\$12.3	\$4.7	55	\$0.8	\$0.4	\$0.0
Induced	\$29.7	\$14.6	\$7.5	114	\$2.0	\$2.0	\$0.6
Total	\$64.8	\$26.9	\$12.2	169	\$2.8	\$2.4	\$0.6
Total Impacts in Canada							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$381.0	\$232.4	\$82.0	681	\$17.1	\$12.6	\$0.6
Indirect	\$266.0	\$142.5	\$74.6	957	\$18.9	\$13.7	\$2.5
Induced	\$105.1	\$63.5	\$27.1	477	\$10.4	\$10.9	\$2.5
Total	\$752.1	\$438.4	\$183.7	2,115	\$46.4	\$37.2	\$5.6

There are several additional points to note regarding the estimated impacts displayed in Table 2:

- The CMM created high-paying jobs in 2024. For direct employment, the average income per job was approximately \$120,000. For total employment (including direct, indirect, and induced employment), the average income per job was approximately \$90,000.
- Roughly ninety-one percent of the total Canadian impacts were realized in BC. The remaining nine percent was realized in other regions of Canada

4.3 Estimated Regional Economic Impacts in 2024

In 2024, approximately 477 mine employees (70 percent) resided in the Greater Princeton Area, while 613 (90 percent) resided in the Okanagan-Similkameen Regional District. Suppliers based in the Greater Princeton Area sold approximately \$8.6 million in goods and services to the CMM (up from \$5.0 million in 2023), while suppliers based in the Okanagan-Similkameen Regional District sold approximately \$15.6 million (up from \$9.0 million in 2023).⁹

Table 3 displays the approximate number of Greater Princeton Area and Okanagan-Similkameen Regional District residents who were employed at the mine site in 2024, as well as the approximate amount of purchases from suppliers.

Table 3. Approximate Number of Mine Employees and Purchases from Suppliers in 2024

	Greater Princeton Area	Okanagan-Similkameen Regional District
Number of Mine Employees (Direct Employment)	477	613
Purchases from Suppliers	\$8.6 million	\$15.6 million

Table 4 summarizes the total jobs, labour income, and municipal tax revenues that are estimated to have been realized in the Greater Princeton Area and the Okanagan-Similkameen Regional District in 2024 from the CMM. As displayed in the table, those impacts include:

- Total employment of 656 jobs in the Greater Princeton Area and 862 jobs in the Okanagan-Similkameen Regional District.
- Total labour income of \$68.4 million in the Greater Princeton Area and \$88.8 million in the Okanagan-Similkameen Regional District.
- Total municipal tax revenues of \$1.4 million in the Greater Princeton Area and \$1.8 million in the Okanagan-Similkameen Regional District.

Table 4. Estimated Economic Impacts of the CMM in the Greater Princeton Area and the Okanagan Similkameen Regional District in 2024

	Greater Princeton Area			Okanagan-Similkameen Regional District		
	Jobs	Labour Income (millions)	Municipal Tax Revenues	Jobs	Labour Income	Municipal Tax Revenues
Direct	477	\$58.0	\$0.6	613	\$74.0	\$0.6
Indirect	34	\$2.6	\$0.1	61	\$4.7	\$0.2
Induced	145	\$7.8	\$0.7	188	\$10.1	\$1.0
Total	656	\$68.4	\$1.4	862	\$88.8	\$1.8

⁹ Communication from the CMM.

5 2025 PROJECTED ECONOMIC IMPACTS

5.1 Projected Metal Production and Mine Workforce in 2025

The CMM has published the following guidance for metal production in 2025. Copper production of 28,000 tonnes to 41,000 tonnes. Gold production of 18,500 ounces to 28,000 ounces. Silver production of 245,000 ounces to 365,000 ounces.¹⁰

The number of mine employees and mine labour expenditures are both projected to increase in 2025 over 2024. The number of mine employees is projected to rise to 830, and the mine labour expenditures are projected to rise to \$118 million.¹¹

To project mine revenues in 2025, Mansfield Consulting Inc. made the following assumptions:

- Copper production will be 34,500 tonnes, i.e. the mid-point of the range published by the CMM as guidance for 2025.
- Gold production will be 23,250 ounces, i.e. the mid-point of the range published by the CMM as guidance for 2025.
- Silver production will be 305,000 ounces, i.e. the mid-point of the range published by the CMM as guidance for 2025.
- Copper prices will average USD 9,039 per tonne (USD 4.10 per lb.). Gold prices will average USD 2,500 per ounce. Silver prices will average USD 26 per ounce.¹²
- The USD to CAD exchange rate will average 1.35.

Table 5 displays the projected metal production, mine revenues, and workforce figures for 2025.

Table 5. Projected Metal Production and Mine Workforce in 2025

	2025 (Projected) ¹³
Contained Copper in Concentrate Produced (tonnes)	34,500
Contained Gold in Concentrate Produced (oz)	23,250
Contained Silver in Concentrate Produced (oz)	305,000
Mine Revenues (CAD)	\$510 million
Number of Mine Employees (Direct Employment)	830
Mine Labour Expenditures (CAD)	\$118.0 million

¹⁰ <https://hubbayminerals.com/investors/financial-reporting/default.aspx>

¹¹ Communication from the CMM.

¹² The assumed metal prices were based on information published by Hudbay and on a review of information from multiple public sources, including information published in technical reports from other mining operations, government publications, and information published by financial and investment institutions. Readers are reminded that many factors can affect metal prices, and actual metal prices realized may vary, even significantly, from assumed values.

¹³ Projected copper, gold, and silver production are assumed to be at the mid-point of the range published by the CMM as guidance for 2025 (as of February 19, 2025, news release).

5.2 Projected Economic Impacts in BC and Canada in 2025

The projected economic impacts of the CMM in BC and Canada in 2025 are summarized in Table 6 and include:

- Total economic output of \$905.7 million in BC and \$989.5 million in Canada.
- Total GDP of \$542.5 million in BC and \$577.4 million in Canada.
- Total labour income of \$233.4 million in BC and \$249.3 million in Canada.
- Total employment of 2,465 jobs in BC and 2,685 in Canada.
- Total tax revenues of \$112.6 million in BC and \$120.4 million in Canada.

Table 6. Projected Economic Impacts of the CMM in BC and Canada in 2025

Within BC Impacts							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$510.2	\$311.2	\$118.0	830	\$24.8	\$18.6	\$0.7
Indirect	\$296.1	\$166.9	\$89.6	1,157	\$23.2	\$17.0	\$3.2
Induced	\$99.4	\$64.4	\$25.8	478	\$11.0	\$11.7	\$2.4
Total	\$905.7	\$542.5	\$233.4	2,465	\$59.0	\$47.3	\$6.3
Impacts in Other Regions in Canada							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$0.0	\$0.0	\$0.0	0	\$0.0	\$0.0	\$0.0
Indirect	\$45.0	\$15.8	\$6.0	71	\$1.1	\$0.5	\$0.0
Induced	\$38.8	\$19.1	\$9.9	149	\$2.7	\$2.6	\$0.9
Total	\$83.8	\$34.9	\$15.9	220	\$3.8	\$3.1	\$0.9
Total Impacts in Canada							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$510.2	\$311.2	\$118.0	830	\$24.8	\$18.6	\$0.7
Indirect	\$341.1	\$182.7	\$95.6	1,228	\$24.3	\$17.5	\$3.2
Induced	\$138.2	\$83.5	\$35.7	627	\$13.7	\$14.3	\$3.3
Total	\$989.5	\$577.4	\$249.3	2,685	\$62.8	\$50.4	\$7.2

There are several additional points to note regarding the estimated impacts displayed in Table 6:

- The average employment income for jobs created by the CMM is projected to increase in 2025. For direct employment, the average income per job is projected at approximately \$140,000. For total employment (including direct, indirect, and induced employment), the average income per job is projected at approximately \$95,000.
- Roughly ninety-two percent of the total Canadian impacts are projected to be realized in BC. The remaining eight percent is projected to be realized in other regions of Canada

5.3 Projected Regional Economic Impacts in 2025

For 2025, Greater Princeton Area residents are expected to fill 581 positions at the CMM, while residents of the Okanagan-Similkameen Regional District are expected to fill 747 positions. Suppliers based in the Greater Princeton Area are projected to sell approximately \$12.0 million in goods and services to the CMM, while suppliers based in the Okanagan-Similkameen Regional District are projected to sell approximately \$21.8 million worth of goods and services to the CMM.

Table 7 displays the projected number of Greater Princeton Area and Okanagan-Similkameen Regional District residents employed at the mine site in 2025, as well as the projected amount of purchases from suppliers.

Table 7. Projected Number of Mine Employees and Purchases from Suppliers in 2025

	Greater Princeton Area	Okanagan-Similkameen Regional District
Number of Mine Employees (Direct Employment)	581	747
Purchases from Suppliers	\$12.0 million	\$21.8 million

Table 8 summarizes the total jobs, labour income, and municipal tax revenues that are projected to be realized in the Greater Princeton Area and the Okanagan-Similkameen Regional District in 2025 from the CMM. As displayed in the table, those impacts include:

- Total employment of 827 jobs in the Greater Princeton Area and 1,092 jobs in the Okanagan-Similkameen Regional District.
- Total labour income of \$96.9 million in the Greater Princeton Area and \$126.8 million in the Okanagan-Similkameen Regional District.
- Total municipal tax revenues of \$1.8 million in the Greater Princeton Area and \$2.2 million in the Okanagan-Similkameen Regional District.

Table 8. Projected Economic Impacts in the Greater Princeton Area and the Okanagan Similkameen Regional District in 2025

	Greater Princeton Area			Okanagan-Similkameen Regional District		
	Jobs	Labour Income (millions)	Municipal Tax Revenues	Jobs	Labour Income	Municipal Tax Revenues
Direct	581	\$82.6	\$0.7	747	\$106.2	\$0.7
Indirect	47	\$3.6	\$0.1	85	\$6.6	\$0.2
Induced	199	\$10.7	\$1.0	260	\$14.0	\$1.3
Total	827	\$96.9	\$1.8	1,092	\$126.8	\$2.2

6 ANALYSIS OF REGIONAL EMPLOYMENT IMPACTS

6.1 Employment Impacts in the Greater Princeton Area

Table 9 displays labour force data from the 2021 Canada Census that summarize the labour force by industry in the Town of Princeton and the Greater Princeton Area. The CMM was included in the mining, quarrying, and oil and gas extraction industry, which was among the industries with the highest employment in 2021.

Table 9. Labour Force by Industry (2021)¹⁴

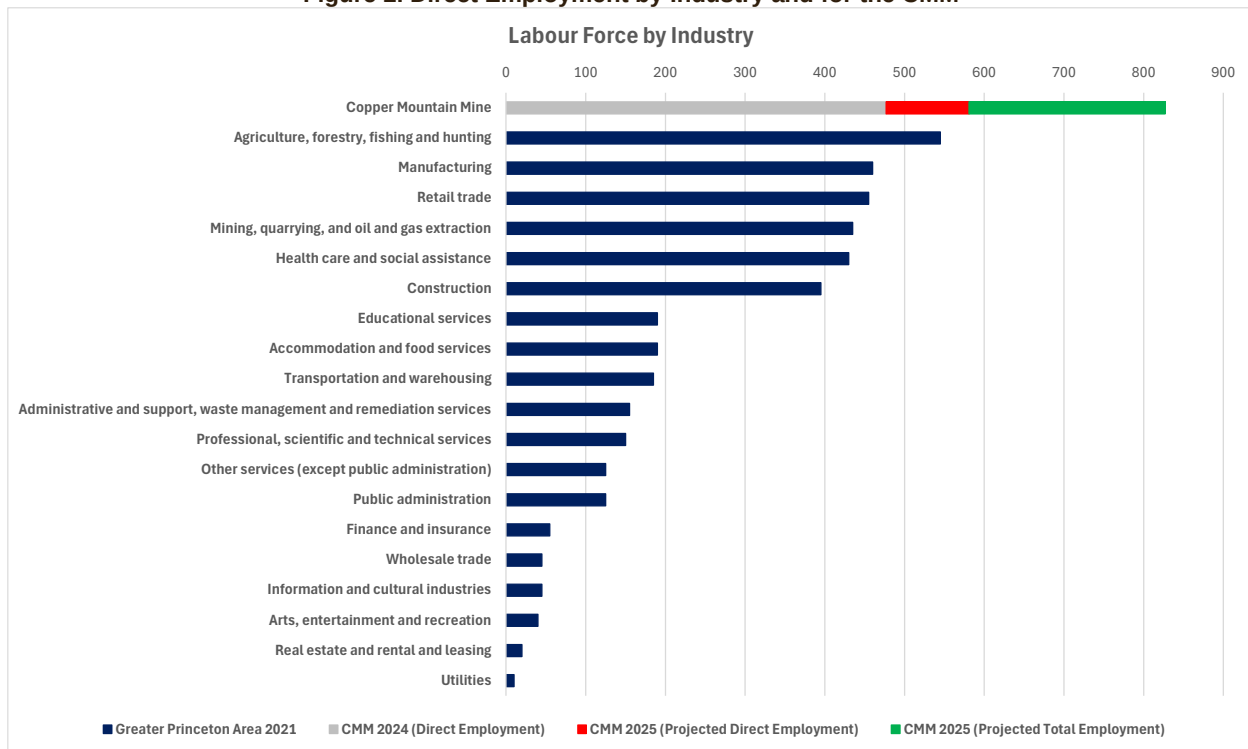
Industry	Town of Princeton	Percent	Greater Princeton Area	Percent
Agriculture, forestry, fishing and hunting	55	4%	545	13%
Manufacturing (including wood products manufacturing)	200	16%	460	11%
Retail trade	165	13%	455	11%
Mining, quarrying, and oil and gas extraction	260	20%	435	11%
Health care and social assistance	160	13%	430	11%
Construction	35	3%	395	10%
Educational services	45	4%	190	5%
Accommodation and food services	75	6%	190	5%
Transportation and warehousing	35	3%	185	5%
Administrative and support, waste management and remediation services	60	5%	155	4%
Professional, scientific and technical services	25	2%	150	4%
Other services (except public administration)	20	2%	125	3%
Public administration	40	3%	125	3%
Finance and insurance	25	2%	55	1%
Wholesale trade	10	1%	45	1%
Information and cultural industries	25	2%	45	1%
Arts, entertainment and recreation	25	2%	40	1%
Real estate and rental and leasing	20	2%	20	0%
Utilities	0	0%	10	0%
Total	1,280	100%	4,055	100%

¹⁴ Statistics Canada. 2023. Census Profile. 2021 Census. <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E>

The importance of the CMM as a major employer in the Greater Princeton Area has continued to increase. As noted earlier, the direct employment by Greater Princeton Area residents at the CMM in 2024 and 2025 has increased from previous levels, and the indirect and induced employment created by the CMM in the Greater Princeton Area has grown as well.

The following chart compares the employment of Greater Princeton Area residents due to the CMM with the labour force data from the 2021 Canada Census. As displayed in the chart, the projected direct employment of 581 Greater Princeton Area residents in 2025 is higher than the employment reported in the 2021 Canada Census for all individual industries. The projected total (i.e., direct, indirect, and induced) employment of 827 Greater Princeton Area residents in 2025 is equivalent to about 20 percent of the entire labour force in the Greater Princeton Area in 2021.

Figure 2. Direct Employment by Industry and for the CMM



6.2 Employment Impacts in the Okanagan-Similkameen Regional District

Table 10 displays labour force data from the 2021 Canada Census that summarize the labour force by industry in the Okanagan-Similkameen Regional District. The CMM was included in the mining, quarrying, and oil and gas extraction industry, which accounted for roughly two percent of direct employment in the Regional District in 2021.

Table 10. Labour Force by Industry (2021)¹⁵

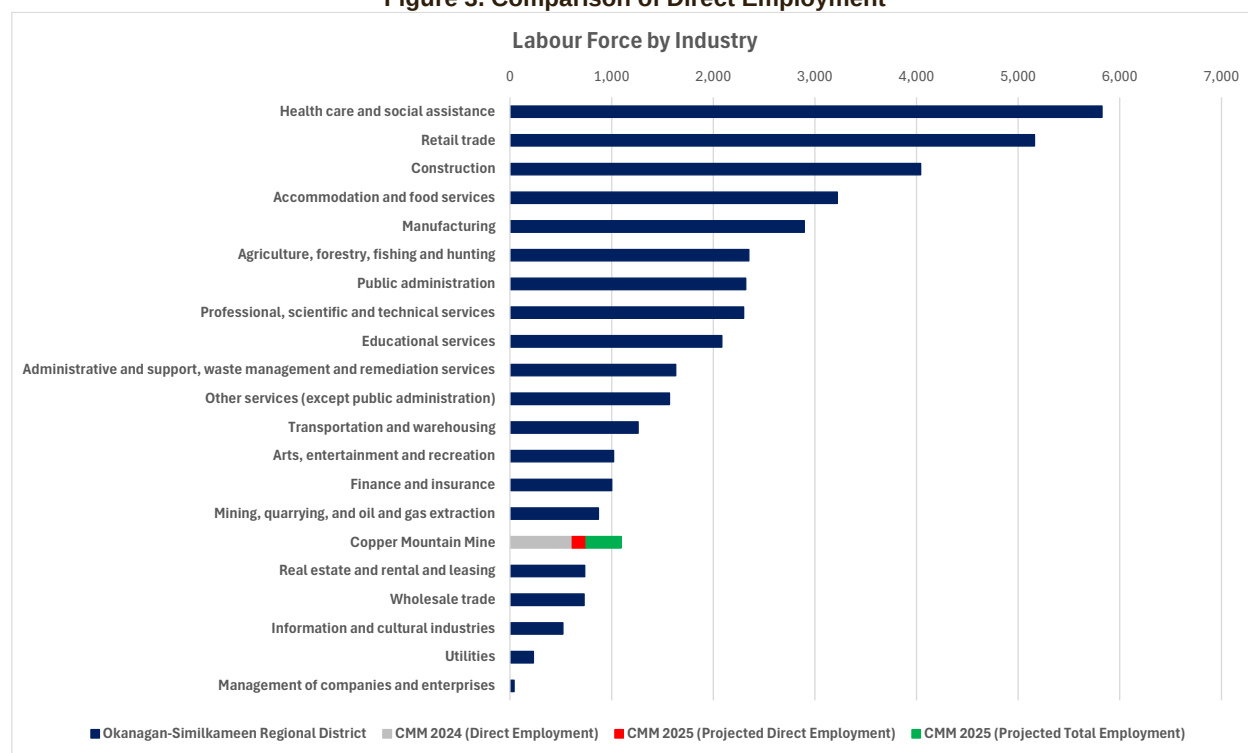
Industry	Okanagan-Similkameen Regional District	Percent
Health care and social assistance	5,825	15%
Retail trade	5,160	13%
Construction	4,040	10%
Accommodation and food services	3,220	8%
Manufacturing (including wood products manufacturing)	2,895	7%
Agriculture, forestry, fishing and hunting	2,350	6%
Public administration	2,320	6%
Professional, scientific and technical services	2,300	6%
Educational services	2,085	5%
Administrative and support, waste management and remediation services	1,630	4%
Other services (except public administration)	1,570	4%
Transportation and warehousing	1,260	3%
Arts, entertainment and recreation	1,020	3%
Finance and insurance	1,000	3%
Mining, quarrying, and oil and gas extraction	870	2%
Real estate and rental and leasing	735	2%
Wholesale trade	730	2%
Information and cultural industries	520	1%
Utilities	230	1%
Management of companies and enterprises	40	0%
Total	39,800	100%

¹⁵ Statistics Canada. 2023. Census Profile. 2021 Census. <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E>

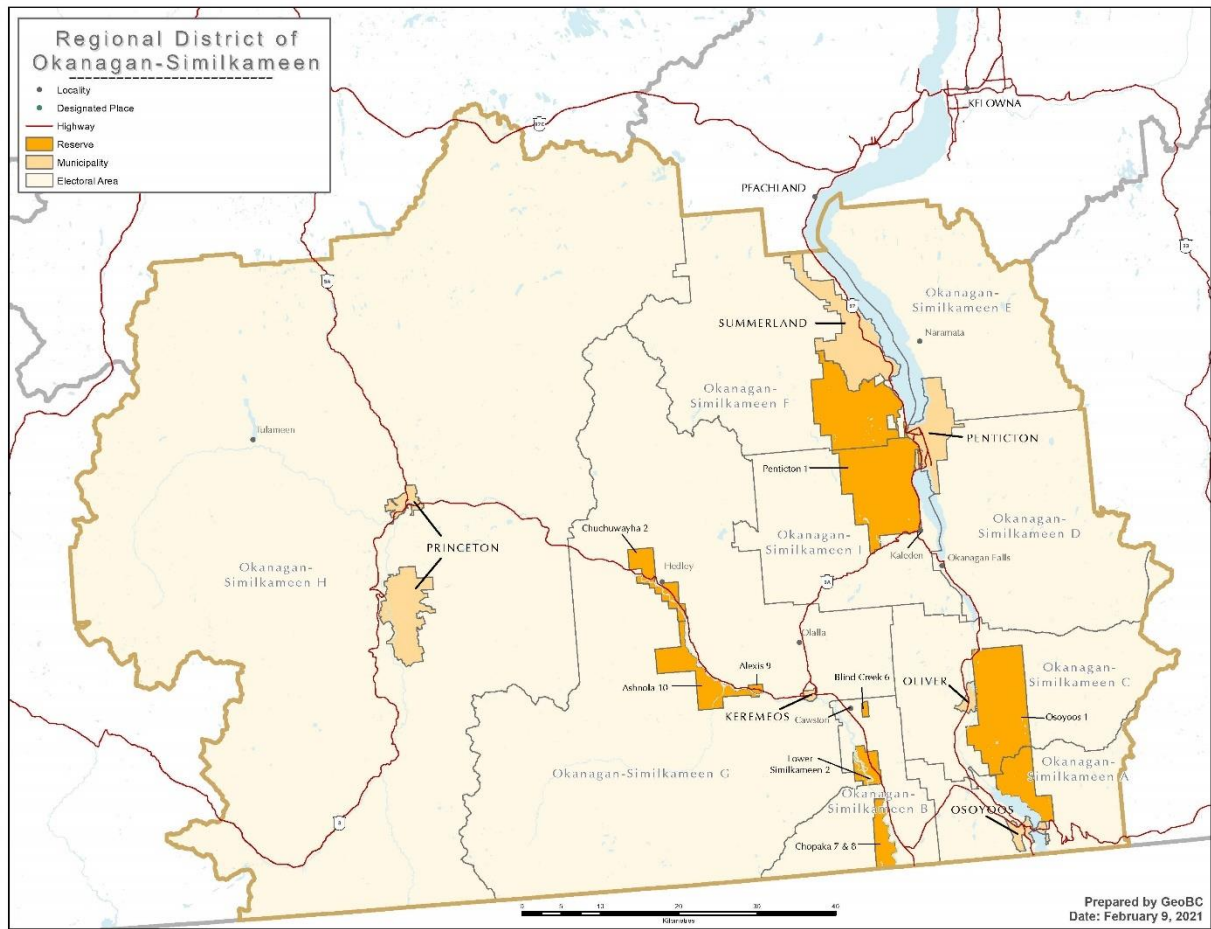
The importance of the CMM as a major employer in the Okanagan-Similkameen Regional District has continued to increase. As noted earlier, the direct employment by Okanagan-Similkameen Regional District residents at the CMM in 2024 and 2025 has increased from previous levels, and the indirect and induced employment created by the CMM in the Okanagan-Similkameen Regional District has grown as well.

The following chart compares the employment of Okanagan-Similkameen Regional District residents due to the CMM with the labour force data from the 2021 Canada Census. As displayed in the chart, the projected direct employment of 747 Okanagan-Similkameen Regional District residents in 2025 is higher than the employment reported in the 2021 Canada Census for several other important industries. The projected total (i.e., direct, indirect, and induced) employment of 1,092 Okanagan-Similkameen Regional District residents in 2025 is equivalent to about three percent of the entire labour force in the Okanagan-Similkameen Regional District in 2021.

Figure 3. Comparison of Direct Employment



APPENDIX A – MAP OF THE REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN



APPENDIX B – LIFE OF MINE PROJECTED IMPACTS

Projected Metal Production and Mine Workforce Through 2043

Hudbay has published the following information regarding anticipated metal production through 2043 for the CMM:¹⁶

- Total copper production of 783,000 tonnes.
- Total gold production of 935,000 ounces.
- Total silver production of 5,590,000 ounces.

To project mine revenues through 2043, Mansfield Consulting Inc. made the following assumptions:

- Total copper production, gold production, and silver production will be at the anticipated levels.
- Copper prices will average USD 9,039 per tonne (USD 4.10 per lb.). Gold prices will average USD 2,500 per ounce. Silver prices will average USD 26 per ounce.¹⁷
- The USD to CAD exchange rate will average 1.35.

The number of mine employees and mine labour expenditures will stay at 2025 levels. The number of mine employees will remain at 830, and the mine labour expenditures will remain at \$118 million (as expressed in constant 2025 dollars).

Table B1 displays the projected mineral production, mine revenues, and workforce figures for the CMM through 2043.

Table B1. Projected Mineral Production and Mine Workforce Through 2043¹⁸

	Through 2043
Contained Copper in Concentrate Produced (tonnes)	783,000
Contained Gold in Concentrate Produced (oz)	935,000
Contained Silver in Concentrate Produced (oz)	5,590,000
Mine Revenues (CAD)	\$12,900 million
Number of Mine Employees (Direct Employment, Person Years)	15,770
Mine Labour Expenditures (CAD)	\$2,242 million

¹⁶ Hudbay Investor Presentation, April 2025. Information based on the December 2023 43-101 technical report and the company's updated guidance announced on March 27, 2025.

¹⁷ Metal prices are expressed in constant 2025 dollars. The assumed metal prices were based on information published by Hudbay and on a review of information from multiple public sources, including information published in technical reports from other mining operations, government publications, and information published by financial and investment institutions. Readers are reminded that many factors can affect metal prices, and actual metal prices realized may vary, even significantly, from assumed values.

¹⁸ All financial figures are expressed in constant 2025 dollars.

Projected Economic Impacts in BC and Canada Through 2043

The projected economic impacts in BC and Canada through 2043 are summarized in Table B2 and include:

- Total economic output of \$19,040 million in BC and \$22,162 million in Canada.
- Total GDP of \$11,507 million in BC and \$13,042 million in Canada.
- Total labour income of \$4,009 million in BC and \$4,770 million in Canada.
- Total employment of 41,647 jobs (person years) in BC and 52,006 in Canada.
- Total tax revenues of \$3,899 million in BC and \$4,289 million in Canada.

Table B2. Projected Economic Impacts Through 2043 in BC and Canada¹⁹

Within BC Impacts							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$12,900	\$7,869	\$2,242	15,770	\$879	\$1,883	\$13
Indirect	\$4,051	\$2,283	\$1,226	15,828	\$318	\$233	\$43
Induced	\$2,090	\$1,355	\$542	10,049	\$232	\$247	\$51
Total	\$19,040	\$11,507	\$4,009	41,647	\$1,429	\$2,362	\$108
Impacts in Other Regions in Canada							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$0	\$0	\$0	0	\$0	\$0	\$0
Indirect	\$2,115	\$1,019	\$503	6,360	\$120	\$84	\$14
Induced	\$1,006	\$516	\$258	3,999	\$74	\$74	\$22
Total	\$3,122	\$1,535	\$761	10,359	\$195	\$159	\$36
Total Impacts in Canada							
	Output (millions)	GDP (millions)	Labour Income (millions)	Jobs	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Direct	\$12,900	\$7,869	\$2,242	15,770	\$879	\$1,883	\$13
Indirect	\$6,166	\$3,302	\$1,729	22,188	\$438	\$317	\$57
Induced	\$3,096	\$1,871	\$800	14,048	\$306	\$321	\$73
Total	\$22,162	\$13,042	\$4,770	52,006	\$1,624	\$2,521	\$144

¹⁹ All financial figures are expressed in constant 2025 dollars.

APPENDIX C – MANSFIELD CONSULTING INC.

Ed Mansfield, Ph.D., is the founder and president of Mansfield Consulting Inc. Ed has more than 30 years of experience in providing consulting services to public and private companies, professional associations, industry organizations, and government agencies. Before founding Mansfield Consulting Inc., Ed led national economics and research practices at four major accounting and business consulting firms.

Mansfield Consulting Inc. has carried out many studies that have involved economic impacts, forecasting, feasibility studies, strategic planning, and industry analysis. The studies have encompassed a wide range of areas, including research and innovation, manufacturing, healthcare, property development, utilities, transportation, natural resources, film and television production, tourism, and major events. For more information on Mansfield Consulting Inc., please see our website at www.mansfieldconsulting.ca.