

ARIZONA SONORAN COPPER COMPANY INC.

INSIDER TRADING AND BLACKOUT POLICY

Adopted by the Board of Directors on June 21, 2021

1. PURPOSE

Arizona Sonoran Copper Company Inc. (the “**Company**”) is a publicly traded company listed on the Toronto Stock Exchange (the “**TSX**”). As such, trades in the Company’s securities¹ are subject to Canadian rules and regulations, as well as the rules and regulations of the TSX (collectively, “**Securities Laws**”). Securities Laws generally prohibit trading or dealing in the securities of a company on the basis of material non-public information. Anyone violating these laws is subject to personal liability and could face criminal and civil penalties, fines, or imprisonment as well as causing significant damage to the Company’s reputation.

The purpose of this Insider Trading and Blackout Policy (the “**Policy**”) is to assist ASCU Mining Personnel (as defined below) in complying with their obligations. This Policy does not replace your responsibility to understand and comply with the securities laws, including the legal prohibitions on insider trading and, if applicable, your obligation for insider reporting.

Trading in the Company’s securities, including without limitation, the purchase and sale of common shares and the exercise of stock options, by ASCU Mining Personnel, must also be conducted without any perception of impropriety, as well as, in full compliance with Securities Laws. Accordingly, you must exercise good judgment when engaging in securities transactions and when relaying to others information obtained as a result of your employment with, or other relationship to, the Company.

If you have any doubt whether a situation requires refraining from trading in the Company’s securities or sharing information with others, you should not take such action.

This policy should be reviewed in conjunction with the Company’s Disclosure Policy.

2. ASCU MINING PERSONNEL

2.1 The following persons are required to observe and comply with this Policy:

2.1.1 all directors, officers and employees of the Company or its subsidiaries;

2.1.2 any other person retained by or engaged by or on behalf of the Company or any of its subsidiaries (such as a consultant, independent contractor, adviser, or other service provider);

¹ “Securities” includes common shares and any other security that the Company may issue from time to time, including preferred shares, options, debentures, warrants, restricted share units, puts, calls and other derivative instruments with respect to such securities and any other securities that are convertible or exchangeable into such securities.

- 2.1.3 any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in Sections (a) and (b) above;
- 2.1.4 partnerships, trusts, corporations, RRSP's and other accounts or entities over which any of the abovementioned individuals exercise control or direction; and
- 2.1.5 any other persons to which any of the individuals referred to in Sections (a), (b) and (c) above exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as "ASCU Mining Personnel". Sections (c) and (d) should be carefully reviewed by ASCU Mining Personnel; those sections have the effect of making various family members or holding companies or trusts of the persons referred to in Sections (a) and (b) subject to this Policy.

3. MATERIAL NON-PUBLIC INFORMATION

3.1 "Material non-public information" is information that:

- 3.1.1 could reasonably be expected to have a significant effect on the market price or value of the Company's securities; or
- 3.1.2 a reasonable investor would consider to be important in making an investment decision regarding the purchase or sale of the Company's securities;

and that has not been previously disclosed or published by means of a broadly disseminated news release or securities filing with a reasonable amount of time having been given for investors to analyze the information. For purposes of this policy, a reasonable amount of time is at the end of the first full trading day after the material information is publicly disclosed.

3.2 Examples of material undisclosed information include but are not limited to: financial performance and significant changes in financial performance; significant changes to permitting or regulatory status; projections and strategic plans; significant changes to geological or operational information or projections, major corporate acquisitions and dispositions; significant changes to major assets and operations; changes in ownership of the Company's securities that may affect the control of the Company; significant changes in senior management or to the Board of Directors ("**Board**"); significant litigation; changes in corporate structure, such as reorganizations; changes in capital structure; significant new debt or material events of default; public or private sale of additional securities; entering into or loss of significant contracts; major labour disputes or disputes with major contractors, customers or suppliers; material regulatory or legal proceedings; takeover bids and issuer bids.

3.3 If you have any doubt whether certain information is "material," you should not trade or communicate such information. Instead, you should communicate such

information to the Company's Disclosure Committee who will assess any disclosure obligation.

4. PROHIBITED AND RESTRICTED ACTIVITIES

4.1 Insider Trading

ASCU Mining Personnel must not trade in any securities of any company, be that the Company or another company, while in possession of material, non-public information regarding such company or securities, including trading in any securities of companies with which the Company does business, or may do business, when you are in possession of material, non-public information regarding such company or securities ("**insider trading**").

Under this Policy, "trading" includes any sale or purchase of the Company's securities, including but not limited to:

- 4.1.1 buying or selling puts or calls or other derivative securities on the Company's securities;
- 4.1.2 the exercise of stock options or any other award granted under the Company's stock option plan or other incentive plan; and,
- 4.1.3 the acquisition of shares or any other securities pursuant to any Company benefit plan or arrangement.

Notwithstanding item (c) above, regular purchases (or sales) in accordance with a previously approved automated trading plan are exempt from the foregoing prohibition; however, starting, stopping, or making changes to your Pre-Approved Trading Plan (defined below), is prohibited during any period of time you are in possession of material, non-public information about the Company .

4.2 Tipping

ASCU Mining Personnel must not disclose material, non-public or other confidential information relating to the Company or other companies, when obtained in the course of your employment or service, to anyone, inside or outside of the Company (including family members) ("**tipping**"), except on a strict need-to-know basis as is necessary in the course of the Company's business and under circumstances that make it reasonable to believe that the information will not be misused or improperly disclosed by the recipient.

You must treat all information concerning the Company as confidential and proprietary. Any uncertainty concerning the disclosure of any such information to other persons in the course of the Company's business should be immediately brought to the attention of a member of the Disclosure Committee.

ASCU Mining Personnel must also refrain from recommending or suggesting that any person trade in securities, whether those of the Company or of any other company, while in possession of material, non-public information about those securities or that company. Both the person who provides the information and the person who receives the information are liable under securities

laws if the person who receives the information trades in securities based on the provided non-public information.

4.3 Trading During Blackouts

ASCU Mining Personnel must not, directly or indirectly, trade in securities of the Company during any Blackout Period (as described below).

4.4 Hedging Transactions

ASCU Mining Personnel must not engage in hedging transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an employee to lock in much of the value of his or her shareholdings, often in exchange for all or part of the potential for upside appreciation in the shares. These transactions allow you to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, you may no longer have the same objectives as the Company's other shareholders. Therefore, you are prohibited by this Policy from engaging in any such hedging transactions.

4.5 Margin Accounts and Pledges

ASCU Mining Personnel are prohibited from holding the Company's securities in a margin account or pledging the Company's securities as collateral for a loan. This is because securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. This means that these actions could occur when you are aware of material non-public information or in a Blackout Period when you are otherwise restricted from trading.

5. BLACKOUT PERIODS AND TRADING REQUESTS

5.1 The Company reserves the right to restrict ASCU Mining Personnel (generally or specifically) from trading in the Company's securities.

5.2 Except in accordance with a Pre-Approved Trading Plan (as defined below), trading in the Company's securities will always be restricted in a "Blackout Period".

5.3 A "Blackout Period" is any of the following:

5.3.1 For quarterly financial results, the period beginning 15 days prior to (and including) the date on which the quarterly financial results are released and ending at the end of the first full trading day after the financial results are publicly disclosed.

5.3.2 Any other time and for any length of time as deemed necessary by the Company's Corporate Secretary, who shall consult with the Disclosure Committee as necessary to determine the existence of material non-public information regarding the Company .

- 5.4** All efforts will be made to advise of Blackout Periods as soon as possible; however, it is your responsibility to ensure that you are not in violation of the prohibition against trading during a Blackout Period and that you do not trade in a Blackout Period.
- 5.5** To assist the Company's directors, officers and senior employees in complying with trading restrictions, all proposed trading in the Company's securities by directors, officers and senior employees should be notified to the Chair for clearance. Trading requests must be made in writing (via e-mail). Trading should not occur until clearance has been given.

6. PRE-APPROVED TRADING PLANS

Notwithstanding any of the prohibitions contained in this Policy, ASCU Mining Personnel may trade in the Company's securities at any time pursuant to a trading plan (e.g. an automatic securities purchase plan) that has been properly adopted, approved by the Chair and is properly administered in accordance with National Instrument 55-104 – Insider Reporting Requirements and Exemptions (a "**Pre-Approved Trading Plans**"). All adopted Pre-Approved Trading Plans must comply with all applicable policies established by the Company, in addition to complying with securities laws.

The rules applicable to Pre-Approved Trading Plans are complex and technical in nature, so you should not employ a Pre-Approved Trading Plan without obtaining advice from legal counsel. A Pre-Approved Trading Plan may not be adopted, amended or cancelled at any time when you are aware of material non-public information or are subject to a Blackout Period.

The Company reserves the right to consider and determine whether public announcement of a Pre-Approved Trading Plan should be made.

7. INSIDER REPORTING OBLIGATIONS

Canadian securities laws impose reporting requirements on certain insiders of the Company. If you are a reporting insider, you are personally responsible for compliance with reporting requirements under applicable securities laws. Any reporting insiders who file their own reports are asked to promptly provide a copy of those reports to the Corporate Secretary so that the Company's records may be updated.

8. COMPLIANCE

Your actions with respect to matters governed by this Policy are significant indications of your judgment, ethics, and competence. Any actions in violation of this Policy may be grounds for disciplinary action, up to and including immediate dismissal, as well as exposure to civil and criminal liability.

Any questions concerning this Policy should be directed to the Chief Executive Officer or the Chief Financial Officer the Company.

Violations or suspected violations of this Policy should be reported in accordance with the procedures under the Whistleblower Policy of the Company.

9. REVIEW OF POLICY

The Board will annually review and evaluate the effectiveness of this Policy.