

## Arizona Sonoran Accelerates Development Work at Cactus in 2022

**Casa Grande, AZ and Toronto, ON, January 18, 2022 – Arizona Sonoran Copper Company Inc.** (“ASCU” or the “Company”), an emerging U.S.-based copper developer and near-term producer, announces its Work Plan for 2022. The Work Plan walks through drilling (up to 3 drill rigs focused on exploration and infill), technical studies, permitting activities in respect of the Cactus Project, wider exploration program for our properties and ESG initiatives. Ultimately, the 2022 Work Plan will support the advancement of the Cactus Project (the “Project”) to a construction decision in the medium term.

### Highlights of the 2022 Work Plan:

- US\$20 million budgeted to advance the Cactus Project in 2022
- The Pre-Feasibility Study (“PFS”) has begun with completion expected in summer 2022; Feasibility Study (“BFS”) is expected by 1Q23
- Up to 38,252 m (125,500 ft) of drilling allocated for exploration, expansion and infill drilling
- Permitting continues at the State and County level (no federal requirements)
- Environmental Life Cycle Assessment has commenced to inform carbon reduction strategies

**George Ogilvie, ASCU President and CEO commented,** “The Project is a world class redevelopment project in a Tier 1 location with ready infrastructure available. To date, we have made significant advances in de-risking the project, thus setting the stage to deliver value for our shareholders. This coming year will be a pivotal year for ASCU as we look to come to a construction decision in respect of the Cactus Project and explore the district scale potential of our 100%-owned properties all on private land.”

### Drilling

ASCU has largely completed a 16,154 m (53,000 ft) infill drilling program to support a PFS, due in the summer of 2022. The drilling programs were planned to convert inferred material to indicated at both Cactus West (12,192 m | 40,000ft) and Cactus East (3,962 m | 13,000 ft). Assay results are pending. Combined, these drilling results will inform the updated Cactus mineral resource model, as well as provide further information on metallurgical recoveries and geotechnical conditions.

The Company has now begun further infill drilling at the project to target planned measured drill spacing consisting of 10,912 m (35,800 ft) at Cactus West and 13,411 m (44,000 ft) at Cactus East with up to three diamond drill rigs currently operating onsite. These results will be included in the year-end BFS.

Additionally, and with a view towards expansion at Cactus West, the Company is budgeting an approximate 3,500 m (11,500 ft) of exploration drilling targeting opportunities proximal to the current mine plan. With success, up to an additional 2,500 m (8,200 ft) of drilling is planned at Cactus West and 1,000 m (3,300 ft) at Cactus East.

Following the 2021 success of 2 exploration holes drilled at Parks/Salyer, the Company has budgeted a 12-hole drill program (6,700 m / 22,000 ft) with the intent to issue a maiden Mineral Resource estimate by year end. Parks/Salyer is located less than 2 km along trend southwest of Cactus. A total of 2 holes are now complete within this program and assays are pending. Subject to successful results from this drill program, further drilling may be accelerated to prove up the district potential of the contiguous property.

### **Technical Studies**

ASCU has officially begun working on the PFS on the Cactus Mine Project with the final study expected to be complete by the summer of 2022, followed by a BFS. In addition to the advancing technical studies at Cactus, the Company expects to issue a maiden Mineral Resource Estimate at the Parks/Salyer Project, also at year-end.

The referenced PFS will update the following inputs based on updated drilling data, rezoned land and potentially increased copper resources:

- Mineral resource estimate update
- Updated metallurgy
- Geotechnical and hydrology
- Site general arrangement
- Stockpile design
- Open Pit design
- Underground design
- Process
- Mining schedule

- Trade-off/PFS schedule

### **Permitting**

The Aquifer Protection Permit (APP) is currently in the process of being amended to include the Cactus West and East deposits, in addition to the Stockpile Project where the Company already has an Aquifer Protection Permit. The permit is expected in 1H22. Currently, the water usage and access are both approved and available from an independent industrial-use only aquifer for a 50-year operation. Additional permits including the Industrial Permit and Mined Land Reclamation Permit, are expected to be received prior to a construction decision by the Company.

### **Project Financing**

Following successful results from the PFS program, the Company will look to work with a number of financing counterparties who have already demonstrated interest and others to work towards obtaining a financing package for the Cactus Project.

### **ESG, Sustainability and GHG Emissions**

After developing the ASCU ESG framework in 2021, the focus in 2022 is to expand on the strategic pillars and determine the best path towards establishing a net-zero carbon emissions operation at the Cactus Project. In 1Q22, Minviro and ASCU are carrying out life cycle assessments throughout the development stages, thus proactively identifying the Scope 1, 2 and 3 emissions. The intent remains to reduce CO2 emissions pre-construction.

### **Improving Bench Strength**

The Company recently confirmed the appointment of Nick Nikolakakis as VP of Finance and Chief Financial Officer. Nick brings to ASCU significant experience in project financing and capital markets and will be instrumental in our next phase of development. The Company will look to add further bench strength in technical and other areas as we transition from development through to construction and finally production.

In addition, Sarah Strunk was added as a new Independent Director to the Board. The breadth of Sarah's legal experience will prove instrumental as the Company develops the Cactus Project. Sarah has worked extensively in Arizona and runs a successful law practice in the State. Additionally, she has many years of Board experience including Brio Gold where she was the Chairwoman prior to its acquisition by Leagold and subsequently, Equinox.

*Neither the TSX nor the regulating authority has approved or disapproved the information contained in this press release.*

**About Arizona Sonoran Copper Company ([www.arizonasonoran.com](http://www.arizonasonoran.com) | [www.cactusmine.com](http://www.cactusmine.com))**

ASCU's objective is to become a mid-tier copper producer in the near term with low operating costs, develop the Cactus Project that could generate robust returns for investors, and provide a long term sustainable and responsible operation for the community and all stakeholders. The Company's principal asset is a 100% interest in the Cactus Project (former ASARCO, Sacaton mine) which is situated on private land in an infrastructure-rich area of Arizona. The Company is led by an executive management team and Board which have a long-standing track record of successful project delivery in North America complemented by global capital markets expertise.

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**Forward-Looking Statements**

This news release contains forward-looking statements. Forward-looking statements contained in this new release includes, but are not limited to, the intentions of ASCU to complete the Offering, the planned use of the proceeds of the Offering and future development and financial prospects of the Cactus Project. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ASCU to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could affect the outcome include, among others: future prices and the supply of metals; the results of drilling; inability to raise the money necessary to incur the expenditures required to retain and advance the properties; environmental liabilities (known and unknown); general business, economic, competitive, political and social uncertainties; results of exploration programs; accidents, labour disputes and other risks of the mining industry;



political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash operating costs, failure to obtain regulatory or shareholder approvals.

Although ASCU has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and ASCU disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.