A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States of America, its territories, possessions or the District of Columbia (the "**United States**"), and may not be offered, sold or delivered, directly or indirectly, in the United States unless exemptions from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".*

***Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Director, Investor Relations of Arizona Sonoran Copper Company Inc. at its Canadian head office at Simpson Tower, 401 Bay Street, Suite 2704, Box #4, Toronto, Ontario M5H 2Y4, telephone (647) 233-4348, and are also available electronically on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue January 31, 2023

ARIZONA SONORAN
COPPER COMPANY

ARIZONA SONORAN COPPER COMPANY INC.

$30,000,000
15,000,000 COMMON SHARES

This preliminary short form prospectus (this "**Prospectus**") qualifies the distribution (the "**Offering**") of 15,000,000 common shares (the "**Common Shares**", and the Common Shares offered under this Prospectus being the "**Offered Shares**") of Arizona Sonoran Copper Company Inc. ("**ASCU**" or the "**Company**") at a price of $2.00 per Offered Share (the "**Offering Price**") for aggregate gross proceeds of $30,000,000. The Offered Shares are being offered and sold pursuant to the terms of an underwriting agreement between the Company and Haywood Securities Inc., as lead underwriter and sole bookrunner (the "**Lead Underwriter**"), and Canaccord Genuity Corp., Stifel Nicolaus Canada Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Cormark Securities Inc., iA Private Wealth Inc., Raymond James Ltd., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. (together with the Lead Underwriter, the "**Underwriters**") dated as of January 31, 2023 (the "**Underwriting Agreement**").

	$2.00 per Offered Share		
	Price to the Public	**Underwriters' Fee[(1)(2)(3)]**	**Net Proceeds to the Company[(2)(3)]**
Per Offered Share	**$2.00**	**$0.10**	**$1.90**
Total[(3)]	**$30,000,000**	**$1,500,000**	**$28,500,000**

Notes:

(1) The Company has agreed to pay the Underwriters a cash commission (the "**Underwriters' Fee**") equal to 5.0% of the aggregate purchase price paid by the Underwriters to the Company for the Offered Shares. Notwithstanding the foregoing,

no Underwriters' Fee will be payable on the gross proceeds received in respect of participation in the Offering by Tembo. See "*Plan of Distribution*" and "*Participation Rights*".

(2) After deducting the Underwriters' Fee but before deducting expenses of the Offering, which are estimated to be approximately $500,000. The Underwriters' Fee will be paid to the Underwriters from the proceeds of the Offering on the Closing Date (as defined herein). See "*Use of Proceeds*".

(3) The Company has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part at the sole discretion of the Underwriters at any time until the date that is 30 days following the Closing Date, to purchase up to an additional 2,250,000 Offered Shares (representing up to 15% of the number of Offered Shares sold pursuant to the base Offering) at the Offering Price to cover over-allocations, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, and assuming no participation in the Offering by Tembo, the Price to the Public, Underwriters' Fee and Net Proceeds to the Company, before deducting expenses of the Offering, will be $34,500,000, $1,725,000 and $32,775,000, respectively. To the extent Tembo participates in the Offering, there will be a reduction in the Underwriters' Fee and a corresponding increase to the Net Proceeds to the Company. This Prospectus also qualifies the grant of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, references to Offered Shares include the securities issuable upon exercise of the Over-Allotment Option.

The following table sets forth the number of securities that may be issued by the Company pursuant to the Over-Allotment Option:

Underwriters' Position	Maximum size or number of securities available	Exercise Period	Exercise price
Over-Allotment Option	2,250,000 Common Shares	Exercisable at any time until the date that is 30 days following the Closing Date	$2.00 per Common Share

The Offered Shares will be offered in each of the provinces of Canada, except Québec. The Offered Shares may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws. See "*Plan of Distribution*".

In connection with the Offering, the Company is required to offer certain shareholders of the Company the right to acquire Offered Shares under the terms of the Investor Rights Agreements (as defined herein). See "*Participation Rights*".

The outstanding Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "ASCU". On January 30, 2023, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was $2.01, and on January 24, 2023, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was $2.11. The Company has applied to the TSX to list the Offered Shares, including any additional Offered Shares issuable on the exercise of the Over-Allotment Option. Listing of the Offered Shares will be subject to the Company fulfilling all of the listing requirements of the TSX.

The Underwriters, as principals, conditionally offer a total of 15,000,000 Offered Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*", and subject to the approval of certain legal matters on behalf of the Company by Bennett Jones LLP and on behalf of the Underwriters by McCarthy Tétrault LLP. In connection with the Offering, the Underwriters may, subject to applicable laws, effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Underwriters propose to initially offer the Offered Shares at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the Offering Price, the Underwriters may

subsequently reduce the selling price of the Offered Shares to purchasers. If the selling price is reduced, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company. See "*Plan of Distribution*".

The Offering Price was determined by arm's length negotiation between the Company and the Lead Underwriter on behalf of the Underwriters with reference to the prevailing market price of the Common Shares.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. To the extent required, definitive certificates or advices under a direct registration system evidencing the Offered Shares will be available for delivery at closing of the Offering; otherwise, a purchaser of Offered Shares will receive only a customer confirmation from the registered dealer, which is a CDS participant, from or through which the Offered Shares are purchased. Closing of the Offering is expected to occur on or about February 16, 2023, or such earlier or later date as the Company and the Underwriters may mutually designate, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus (such actual closing date hereinafter referred to as the "**Closing Date**").

An investment in Offered Shares involves significant risks. Prospective investors should carefully consider the risk factors described in this Prospectus under "*Risk Factors*" and "*Cautionary Statement Regarding Forward-Looking Information*" and the Company's annual information form for the year ended December 31, 2021, dated as of March 30, 2022 and other filings incorporated by reference herein.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus. The Company has not authorized anyone to provide investors with different information. The Company is not offering the Offered Shares in any jurisdiction in which the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus.

Unless otherwise indicated, all references to dollar amounts in this Prospectus are to Canadian dollars.

In this Prospectus, references to "ASCU", the "Company", "we", "us", and "our" refer to Arizona Sonoran Copper Company Inc. and/or, as applicable, one or more of its subsidiaries. The Company's corporate office is located at 1545 Industrial Way, Sparks, Nevada, 89431; its main operations office is located at 950 W Elliot Road, Suite 122, Tempe, Arizona, 85284. The Company has its registered office at 666 Burrard Street, 2500 Park Place, Vancouver, British Columbia, V6C 2X8 and its Canadian head office at Simpson Tower, 401 Bay Street, Suite 2704, Box #4, Toronto, Ontario M5H 2Y4.

Mr. Mark Palmer, Mr. Thomas Boehlert, Mr. Alan Edwards, and Ms. Sarah Strunk, four of the Company's directors, reside outside of Canada and have appointed Arizona Sonoran Copper Company Inc. at Simpson Tower, 401 Bay Street, Suite 2704, Box #4, Toronto, Ontario M5H 2Y4 as agent for service of process. Additionally, the following experts who have signed consents required to be filed in connection with the filing of this Prospectus reside outside of Canada: Mr. Jason A. Sexauer, Mr. Wilhelm Max-Otto Greuer, Mr. Allan L. Schappert and Dr. Martin C. Kuhn. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (together, the "**Tax Act**") in force as of the date hereof, and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Offered Shares, if issued on the date hereof, would be qualified investments under the Tax Act at a particular time for trusts governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a registered education savings plan, a tax-free savings account (each, a "**Registered Plan**") and a deferred profit sharing plan ("**DPSP**"), provided that at such time, either the Offered Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) or the Company otherwise qualifies as a "public corporation" other than a "mortgage investment corporation" (each as defined in the Tax Act).

Notwithstanding that Offered Shares may be qualified investments for a Registered Plan, the holder or subscriber of, or annuitant under, the Registered Plan, as the case may be (the "**Controlling Individual**"), will be subject to a penalty tax in respect of the Offered Shares if such Offered Shares are a "prohibited investment" for the Registered Plan for purposes of the Tax Act. Offered Shares will generally not be a "prohibited investment" if the Controlling Individual (i) deals at arm's length with the Company for purposes of the Tax Act, and (ii) does not have a "significant interest" (within the meaning of the prohibited investment rules in the Tax Act) in the Company. In addition, an Offered Share will not be a "prohibited investment" if the Offered Share is "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules). Prospective investors who may wish to hold their Offered Shares in a Registered Plan or DPSP are advised to consult their own tax advisors regarding the prohibited investment rules having regard to their particular circumstances.

Based on enacted amendments to the Tax Act that received royal assent on December 15, 2022, upon such amendments coming into force on April 1, 2023: (a) an Offered Share would, provided it is a qualified investment for a Registered Plan or DPSP as described above, also be a qualified investment for a trust governed by a first home savings account ("**FHSA**"), and (b) holders of FHSAs would also be subject to the prohibited investment rules described above. Prospective purchasers who may wish to hold their Offered Shares in an FHSA are advised to consult their personal tax advisors as to the tax treatment under such amendments.

CURRENCY PRESENTATION

Unless otherwise indicated, all monetary amounts in this Prospectus are expressed in Canadian dollars. The annual financial statements of the Company incorporated herein by reference are reported in United States dollars and are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The interim financial statements of the Company incorporated by reference herein are reported in United States dollars and are prepared in accordance with IFRS applicable to the preparation of interim financial statements including IAS 34, Internal Financial Reporting. Unless otherwise indicated, all references to "$", "C$", and "dollars" in this Prospectus refer to Canadian dollars. References to "US$" in this Prospectus refer to United States dollars. On January 30, 2023, the daily exchange rate for one United States dollar expressed in Canadian dollars, as quoted by the Bank of Canada, was US$1.00 = C$1.3356 (or C$1.00 = US$0.7487).

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Director, Investor Relations of ASCU, at its head office at Simpson Tower, 401 Bay Street, Suite 2704, Box #4, telephone (647) 233-4348, and are also available electronically on SEDAR at www.sedar.com.

The following documents ("**documents incorporated by reference**" or "**documents incorporated herein by reference**") filed by the Company with various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated herein by reference and form an integral part of this Prospectus:

(a) the annual information form of the Company for the year ended December 31, 2021, dated as of March 30, 2022 (the "**AIF**");

(b) the audited annual consolidated financial statements of the Company as at and for the years ended December 31, 2021 and 2020, together with the notes thereto and the auditors' report thereon;

(c) management's discussion and analysis of the financial condition and results of operations of the Company for the years ended December 31, 2021 and 2020 (the "**Annual MD&A**");

(d) the unaudited interim condensed consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2022 and 2021, together with the notes thereto;

(e) management's discussion and analysis of the financial condition and results of operations of the Company for the three and nine months ended September 30, 2022 (the "**Interim MD&A**");

(f) the management information circular of the Company dated May 9, 2022 in connection with the annual meeting of shareholders of the Company held on June 21, 2022;

(g) the material change report of the Company dated May 24, 2022 in connection with the non-brokered private placement of 17,500,000 Common Shares for aggregate gross proceeds of $35,000,000 (the "**2022 Offering**").

(h) the material change report of the Company dated January 30, 2023 in connection with the Offering; and

(i) the template version of the indicative term sheet for the Offering dated January 25, 2023 filed on SEDAR in connection with the Offering.

Any document of the type referred to above in (a) through (i) and any other document of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this

Prospectus and prior to the termination of the distribution hereunder will be deemed to be incorporated by reference in this Prospectus. Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus are not incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated herein by reference will be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

References to the Company's website in any documents incorporated by reference in this Prospectus do not incorporate the information on such website into this Prospectus, and the Company explicitly disclaims any such incorporation by reference.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains or incorporates by reference "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information includes statements that use forward-looking terminology such as "may", "could", "would", "will", "intend", "plan", "expect", "budget", "estimate", "forecast", "schedule", "anticipate", "believe", "continue", "potential" or the negative or grammatical variation thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, statements with respect to the completion and closing of the Offering and the timing thereof; the use of proceeds of the Offering; the receipt of requisite regulatory approvals, including the TSX and securities regulatory authorities; mineral resource estimates; targeting additional mineral resources and expansion of deposits; the capital, operating and sustaining cost estimates and the economic analyses (including cash flow projections) from the Technical Report (as defined herein); the expected outcomes of the Technical Report development plan; the Company's expectations, strategies and plans for the Project (as defined herein), including the Company's planned exploration and development activities; the results of future exploration and drilling and estimated completion dates for certain milestones, including the completion of a pre-feasibility study and definitive feasibility study on the Project; successfully adding or upgrading mineral resources and successfully developing new deposits; the costs and timing of future exploration and development, including the timing for completion and commencement of production; the timing and amount of future production at the Project; the economic and scoping-level parameters of the Project; the proposed mine plan and mining methods; dilution and mining recoveries, processing method and rates and production rates, results of metallurgical test work and metallurgical recovery rates, infrastructure requirements; the projected life of mine and net present value of the Project; conclusions of economic evaluations; future costs of capital and future metal prices; the timing, receipt and maintenance of approvals, licenses and permits from the federal and state government agencies and from any other applicable government, regulator or administrative body; opportunities to expand operations and resources; the future supply and demand of copper; the impact of technological developments on the demand of copper; the environmental impact of the Company's mining operations; the timing of environmental assessment processes; changes to the Project configuration that may be requested as a result of stakeholder or government input to the environmental assessment process; estimates of reclamation obligations; fees associated with investor relations and ongoing legal and advisory fees; costs associated with being a public issuer; future financial or operating performance and condition of the Company and its business, operations and properties; the ability and timing to complete the initial development of the Project and commence commercial production (if at all); and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the

circumstances, as of the date of this Prospectus or the documents incorporated herein by reference including, without limitation, assumptions about: favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the development of the Project and pursue planned exploration; future prices of copper and other metal prices; the timing and results of exploration and drilling programs; there being no significant disruptions affecting the development and operation of the Project; the accuracy of any mineral resource estimates; the geology and geological interpretations of the Project being as described in the Technical Report; the metallurgical characteristics of the Project being suitable for processing; the grades, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions being as described in the Technical Report; the successful operation of the processing facility; production costs; the accuracy of budgeted exploration and development costs and expenditures, including to complete development of the infrastructure at the Project; the price of other commodities such as fuel; the availability of certain consumables and services and the prices of power and other key supplies being approximately consistent with the assumptions in the Technical Report; labour and material costs being approximately consistent with the assumptions in the Technical Report; project parameters being approximately consistent with those as described in the Technical Report; future currency exchange rates and interest rates; operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental and third party approvals, licences and permits on favourable terms; obtaining required renewals for existing approvals, licences and permits and obtaining all other required approvals, licences and permits on favourable terms; sustained labour stability; stability in financial and capital goods markets; and availability of equipment. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, operational, social, economic, political, regulatory, competitive, and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. Such risks include, without limitation: copper prices are volatile and may be lower than expected; product alternatives may reduce demand for the Company's products; estimating mineral reserves and mineral resources is risky and no assurance can be given that such estimates will be achieved; nature of mineral exploration, development and mining involves significant financial risks; dependence on the success of the Cactus Project as the principal operation of the Company; the Company may not be able to obtain further financing and continue as a going concern; the Company is reliant on appropriate governmental authorities to obtain, renew and maintain the necessary permits for Company operations; estimates of capital cost and operating costs may be lower than actual costs; geological hydrological and climatic events could suspend future mining operations or increase costs; title to mineral properties may be challenged or impugned; social and environmental activism can negatively impact exploration, development and mining activities; the Company's success is dependent on developing and maintaining relationships with local communities, stakeholders and its labour force; success of the Company and the successful development of the Project depends on retaining the skills of the Company's management and key personnel; operations during mining cycle peaks are more expensive; mining operations are very risky and project parameters may continue to change as plans continue to be refined; inadequate infrastructure may constrain mining operations; risks from unknown hazards; changes in climate conditions may affect the Company's future operations; substantial government regulation and changes to regulation or more stringent implementation of regulations could have a material adverse effect on the Company's operations and financial condition; regulation of greenhouse gas emissions and climate change issues may adversely affect the Company's operations and markets; risks associated with changing environmental legislation and regulations; the mining industry is intensely competitive; the Company may incur losses and experience negative operating cash flow for the foreseeable future; the Company's insurance coverage may be inadequate and result in losses; currency fluctuations can result in unanticipated losses; enforcement of judgements and effecting service of process on directors may be difficult due to residency outside of Canada; the directors and officers may have conflicts of interest with the Company; Tembo Capital Elim Co-Investment LP ("**Tembo**") exercises significant control over the Company; current and future debt ranks senior to Common Shares; future acquisitions may require significant expenditures or dilution and may result in inadequate returns; dependence on information technology systems; the Company may be subject to costly legal proceedings and securities class action litigation; investors may lose their entire investment; dilution from equity financing could negatively impact holders of Common Shares; equity securities are subject to trading and volatility risks; sales by

existing shareholders can reduce share prices; no intention to pay dividends; decline in price and trading volume of Common Shares if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business; reduction in share prices due to global financial conditions; COVID-19 public health crisis; and international conflict. Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See *"Risk Factors"* herein and the section entitled *"Risk Factors"* in the AIF for a discussion of certain factors prospective investors should carefully consider before deciding to invest.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

The annual financial statements of the Company are prepared in accordance with IFRS. The Company and the Technical Report utilize certain non-IFRS measures, including sustaining capital, C1 cash cost per pound of copper metal produced, all-in sustaining costs and total costs. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

TECHNICAL INFORMATION

Scientific and technical information relating to the Project (as defined herein) is supported by the technical information contained in Appendix "A" hereto. See *"Appendix "A" – Information Relating to the Project"*.

The summary of the technical report titled "*Mineral Resource Estimate and Technical Report – Arizona Sonoran Copper Company Inc. (Parks / Salyer)*" dated November 10, 2022 (the "**Technical Report**") for the Project referred to above is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and is available for review on SEDAR under the Company's issuer profile at www.sedar.com. The Technical Report is not and shall not be deemed to be incorporated by reference in this Prospectus.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Underwriters in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any "template version" of any marketing materials) is deemed to be incorporated herein by reference.

THE COMPANY

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 3, 2019, under the name "Elim Mining Incorporated". On July 12, 2021, the Company changed its name from "Elim Mining Incorporated" to "Arizona Sonoran Copper Company Inc."

On November 16, 2021, the Company completed an initial public offering and secondary offering of its Common Shares. The Company became a reporting issuer in all provinces and territories of Canada, except for Québec, on November 9, 2021. The Common Shares are listed for trading on the TSX under the symbol "ASCU". The Common Shares also trade in the United States on the OTCQX® Best Market ("**OTCQX**") under the symbol "ASCUF".

The Company's corporate office is located at 1545 Industrial Way, Sparks, Nevada, 89431; its main operations office is located at 950 W Elliot Road, Suite 122, Tempe, Arizona, 85284. The Company has its registered office at 666 Burrard Street, 2500 Park Place, Vancouver, British Columbia, V6C 2X8 and its Canadian head office at Simpson Tower, 401 Bay Street, Suite 2704, Box #4, Toronto, Ontario M5H 2Y4.

SUMMARY DESCRIPTION OF THE BUSINESS

General

The Company is a mineral resource company engaged in the identification, acquisition, exploration, development and production of base metal properties in geographic regions known to have low geopolitical risk. The Company's principal asset is a 100% interest in the Cactus Project, which it acquired from ASARCO Multi-State Environmental Custodial Trust in July 2020.

Business Strategy

The Company's strategy is to explore and develop the Cactus project located in Pinal County, Arizona (the "**Cactus Project**") towards a production decision while continuing to broaden exploration activities at the Parks/Salyer deposit (the "**Parks/Salyer Project**", and, collectively with the Cactus Project, the "**Project**") and the wider land package held by the Company. To execute the strategy, ASCU is currently undertaking a 57,000-metre infill drilling program within its mineral deposits to support the completion of a pre-feasibility study ("**PFS**") as well as metallurgical hydrological work programs, geotechnical drilling and trade-off analyses. The Company also intends to begin a small exploration program along the 4-kilometre mine trend, and continue obtaining relevant permits for the Project.

RECENT DEVELOPMENTS

On January 10, 2023, the Company announced its work plan for the Project. All work streams completed in 2023 will feed into the planned PFS expected to be completed in the fourth quarter of 2023 or first quarter of 2024, and includes drilling, metallurgy, detailed engineering, permitting and technical studies, along with continued efforts to build the onsite operations and technical team.

CONSOLIDATED CAPITALIZATION

Other than as listed in the *"Prior Sales"* section of this Prospectus, there has been no material change in the Company's capital structure on a consolidated basis since September 30, 2022, being the date of the Company's most recent interim financial statements.

The Company had 88,911,879 Common Shares outstanding as at January 30, 2023 (on an undiluted basis). After giving effect to the Offering, the number of issued and outstanding Common Shares will be 103,911,879 (on an undiluted basis), assuming no exercise of the Over-Allotment Option, or 106,161,879 assuming full exercise of the Over-Allotment Option.

As at January 30, 2023, there were outstanding options to acquire an aggregate of up to 3,130,357 Common Shares, outstanding warrants to acquire an aggregate of up to 6,276,013 Common Shares, and deferred share units ("**DSUs**")

and restricted share units ("**RSUs**") to acquire an aggregate of up to 355,055 Common Shares and 203,111 Common Shares, respectively.

USE OF PROCEEDS

The estimated net proceeds to the Company from the Offering will be approximately $28,000,000 after deducting the Underwriters' Fee and the estimated expenses of the Offering (assuming no participation in the Offering by Tembo and excluding the net proceeds, if any, from the exercise of the Over-Allotment Option).

The aggregate net proceeds of the Offering are intended to be used as follows:

	Principal Purpose[(1)]	Estimated Amount to be Expended (US$ million)	Estimated Amount to be Expended (C$ million)
1.	Exploration and Drilling Adjacent Properties (including the Parks/Salyer Project)	$ 7,978,000	$ 10,690,000
2.	Forecasted Land Consolidation	$ 2,985,000	$ 4,000,000
3.	Cactus Drilling and Assay Costs	$ 3,440,000	$ 4,610,000
4.	Technical Studies	$ 2,985,000	$ 4,000,000
5.	Project Support	$ 1,493,000	$ 2,000,000
6.	Working Capital and General Corporate Purposes	$ 1,493,000	$ 2,000,000
7.	Permitting	$ 522,000	$ 700,000
	Total	**$ 20,896,000**	**$ 28,000,000**

Notes:

(1) To the extent that the Over-Allotment Option is exercised, in whole or in part, and/or to the extent Tembo participates in the Offering, the Company anticipates that any additional proceeds from the exercise of the Over-Allotment Option and/or reduction in the Underwriters' Fee, respectively, will be allocated for working capital and general corporate purposes.

The Company currently has a negative operating cash flow, which may continue for the foreseeable future. During the fiscal year ended December 31, 2021, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at the Project. As a result, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities in future periods. See *"Risk Factors – Negative Operating Cash Flow"*.

Until utilized for the above purposes, the Company may invest the net proceeds that it does not immediately require in an interest bearing account with major Canadian and US banks. The Company's unallocated working capital will be available for further exploration work on the Project, if such work is warranted based on results from the exploration programs currently planned. If not required for further work on the Project, those funds will be available for acquisition, exploration or development of other mineral properties.

Although the Company intends to expend the net proceeds from the Offering as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, the price of copper, unforeseen events, and the Company's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See *"The Company May Use the Proceeds of the Offering for Purposes Other Than Those Set Out in this Short Form Prospectus"*.

Business Objectives and Milestones

The primary business objectives that the Company expects to accomplish by using the net proceeds from the Offering are to:

- complete drilling at the Project together with associated studies and analysis;

- complete the PFS and definitive feasibility study in respect of the Project, the work program for which is outlined in *"Appendix "A" – Information Relating to the Project"*;

- continue to explore other mineralized targets away from the deposits in order to evaluate the potential for additional deposits to add to the medium term expansion potential, as outlined in the work program; and

- satisfy corporate general and administrative expenses and working capital requirements.

The work program outlined in the Technical Report is targeted to allow the Company to deliver a pre-feasibility study by the fourth quarter of 2023 or the first quarter of 2024 and, subsequently, a definitive feasibility study later in 2024. See *"Appendix "A" – Information Relating to the Project"*.

PLAN OF DISTRIBUTION

In Canada, the Offered Shares will be offered in each of the provinces of Canada except Québec.

The Offered Shares may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters, as underwriters, have severally and not jointly or jointly and severally, agreed to purchase on the Closing Date, as principals, subject to compliance with all necessary legal requirements and the terms and conditions contained in the Underwriting Agreement, a total of 15,000,000 Offered Shares at the Offering Price, payable in cash to the Company against delivery of the Offered Shares on the Closing Date. Under the Underwriting Agreement, the Company has agreed to pay to the Underwriters a cash commission equal to 5.0% of the aggregate purchase price paid by the Underwriters to the Company for the Offered Shares. Notwithstanding the foregoing, no Underwriters' Fee will be payable on the gross proceeds received in respect of participation in the Offering by Tembo. See "*Participation Rights*".

The Offering Price was determined by arm's length negotiation between the Company and the Lead Underwriter on behalf of the Underwriters with reference to the prevailing market price of the Common Shares. The Company has also agreed to indemnify each of the Lead Underwriter on behalf of the Underwriters and any U.S. affiliate of an Underwriter that sells any Offered Shares during the distribution, and each of their respective directors, officers, employees and agents from and against certain liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof. Additionally, the Company has agreed to use commercially reasonable efforts to obtain a waiver agreement from Tembo in respect of prospectus liability of the Underwriters in connection with any purchase of Offered Shares made by Tembo.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint and not joint and several and may be terminated at their discretion on the basis of the "disaster out", "regulatory out" and "material adverse change out" provisions of the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all Offered Shares if any are purchased under the Underwriting Agreement.

The Company has granted the Over-Allotment Option to the Underwriters, exercisable at any time until the date that is 30 days following the Closing Date, to purchase up to an additional 2,250,000 Offered Shares to cover over-allocations, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, and assuming no participation in the Offering by Tembo, the Price to the Public, the Underwriters' Fee and the Net Proceeds to the Company before deducting expenses of the Offering will be $34,500,000, $1,725,000 and $32,775,000, respectively. To the extent Tembo participates in the Offering, there will be a reduction in the Underwriters' Fee and a corresponding increase to the Net Proceeds to the Company. This Prospectus also qualifies the grant of the Over-Allotment Option.

The Underwriters propose to initially offer the Offered Shares at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the Offering Price, the Underwriters may subsequently reduce the selling price of the Offered Shares to purchasers. If the selling price is reduced, the compensation realized by the

Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company.

Under the Underwriting Agreement, without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld or delayed, for a period of 90 days from the Closing Date, the Company has agreed not to, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of any of the foregoing, or agree to or announce any intention to do any of the foregoing, any additional Common Shares or any securities convertible into or exchangeable for Common Shares, other than issuances: (i) pursuant to the exercise of the Over-Allotment Option; (ii) under existing director or employee stock options, bonus or purchase plans or similar share or equity-linked compensation arrangements as detailed in the Company's most recently-filed management discussion and analysis; (iii) under director or employee stock options or bonuses granted subsequently in accordance with regulatory approval and in a manner consistent with the Company's past practice; (iv) upon the exercise of convertible securities, warrants or options outstanding prior to January 24, 2023; or (v) among others, pursuant to previously announced payments and/or other corporate or property acquisitions and/or existing contractual commitments (including pre-emptive rights).

Pursuant to the terms of the Underwriting Agreement, the Company has also agreed to cause its directors and officers to agree in lock-up agreements to be executed on or prior to the Closing Date, that each will not, without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld or delayed, for a period ending 90 days after the Closing Date, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, assign, or announce any intention to do so, any Common Shares or any securities convertible into or exchangeable for Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than pursuant to a bona fide take-over bid or any other similar transaction made generally to all of the shareholders of the Company and certain other customary exceptions as provided for in the lock up agreements.

The Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable regulations, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels above that which would otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Company has applied to the TSX to list the Offered Shares, including any additional Offered Shares issuable on the exercise of the Over-Allotment Option. Listing of the Offered Shares will be subject to the Company fulfilling all of the listing requirements of the TSX.

United States Offering Restrictions

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares in the United States.

The Offered Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell the Offered Shares at any time within the United States as part of their distribution. The Underwriting Agreement permits the Underwriters to re-offer and re-sell the Offered Shares that they have acquired pursuant to the

Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A of the U.S. Securities Act) in the United States in accordance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws) or, on a substituted purchaser basis to "accredited investors" that meet the definition of accredited investor under Rule 501(a) of Regulation D under the U.S. Securities Act (a "**U.S. Accredited Investor**") on the basis of the exemption from the registration requirements of the U.S. Securities Act found in Rule 506(b) of Regulation D promulgated thereunder; and outside of the United States in reliance on Regulation S under the U.S. Securities Act. As used herein, the term "United States" has the meaning given to it in Regulation S under the U.S. Securities Act. Because of these restrictions and those described below, purchasers in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offered Shares offered hereby. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

In addition, until 40 days after the Closing Date, an offer or sale of the Offered Shares distributed under the Offering within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements. The Offered Shares sold on the basis of an exemption to the registration requirements of the U.S. Securities Act to U.S. persons or into the United States will be restricted securities within the meaning of Rule 144(a)(3) under the U.S. Securities Act and any certificates or advices under a direct registration system representing such securities sold to U.S. Accredited Investors in the United States in reliance on Rule 506(b) of Regulation D under the U.S. Securities Act will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

PARTICIPATION RIGHTS

Pursuant to the terms of the investor rights agreement dated July 10, 2020 among Tembo, RCF Opportunities Fund L.P. and the Company (the "**Tembo/RCF Investor Rights Agreement**"), Tembo, a 34.5% shareholder of the Company (holding 30,683,633 Common Shares) as at the date hereof, has, among other rights, a contractual participation right to maintain its pro rata ownership percentage of the Company in connection with the Offering and any other future equity issuances or business combination transactions. The Company has provided Tembo with the requisite participation right notice in connection with the Offering, and Tembo has advised the Company by written notice that it has waived its pro rata participation right. However, Tembo has notified the Company that it intends to elect to participate in the Offering but the amount of such participation has not yet been determined as at the date hereof. No Underwriters' Fee will be payable on the gross proceeds received in respect of participation in the Offering by Tembo.

Pursuant to the terms of the investor rights agreement dated May 13, 2022 between Rio Tinto Technology Holdings Corporation ("**Rio Tinto**") and the Company (the "**Rio Tinto Investor Rights Agreement**", and, together with the Tembo/RCF Investor Rights Agreement, the "**Investor Rights Agreements**"), Rio Tinto, a 7.2% shareholder of the Company (holding 6,400,000 Common Shares) as at the date hereof, has, among other rights, a contractual participation right to maintain its pro rata ownership percentage of the Company in connection with the Offering and any other future equity issuances or business combination transactions. The Company has provided Rio Tinto with the requisite participation right notice in connection with the Offering; however, it is unknown as at the date hereof whether Rio Tinto will confirm or waive its participation rights.

For further information, readers should refer to the Tembo/RCF Investor Rights Agreement and the Rio Tinto Investor Rights Agreement, both of which have been filed on SEDAR (www.sedar.com) the Company's issuer profile.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Offering consists of 15,000,000 Offered Shares at a price of $2.00 per Offered Share. In addition, the Company has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part at the sole discretion of the Underwriters at any time until the date that is 30 days following the Closing Date, to purchase up to an additional 2,250,000 Offered Shares at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. See "*Plan of Distribution*".

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of January 30, 2023, 88,911,879 Common Shares were issued and outstanding.

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the board of directors of the Company in respect of the Common Shares on a pro rata basis.

Any alteration of the rights, privileges, restrictions and conditions attaching to the Common Shares under the Company's articles must be approved by at least two-thirds of the Common Shares voted at a meeting of the Company's shareholders.

Prior Sales

The following tables outline the number of Common Shares and securities that are convertible into Common Shares issued by the Company during the 12-month period preceding the date of this Prospectus.

Common Shares

Date of Sale or Issuance	Issue Price	Number of Common Shares
February 15, 2022[(1)]	$0.56 per Common Share	138,866
February 15, 2022[(2)]	$0.56 per Common Share	60,190
March 11, 2022[(1)]	$0.56 per Common Share	69,433
April 14, 2022[(1)]	$0.56 per Common Share	34,716
May 13, 2022[(3)]	$2.00 per Common Share	17,500,000
July 1, 2022[(4)]	$0.50 per Common Share	30,466
December 12, 2022[(1)]	$0.56 per Common Share	69,433
December 12, 2022[(1)]	$0.40 per Common Share	50,000
January 27, 2023[(1)]	$0.56 per Common Share	10,415
January 27, 2023[(1)]	$0.40 per Common Share	68,750

Notes:

(1) Represents Common Shares issued upon exercise of Common Share purchase warrants.
(2) Represents Common Shares issued upon exercise of stock options.
(3) Represents Common Shares issued in connection with the 2022 Offering.
(4) Represents Common Shares issued upon vesting of RSUs.

Stock Options

Date of Grant	Exercise Price	Total Granted
May 13, 2022	$1.91 per Common Share	80,000

June 24, 2022	$1.80 per Common Share	128,000

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol "ASCU". The Common Shares also trade on the OTCQX under the symbol "ASCUF". The following table sets out the high and low trading prices and trading volumes of the Common Shares on the TSX for the period from January 1, 2022 to January 30, 2023 (Source: TMX Datalinx).

Month	High ($)	Low ($)	Volume Traded
January 2022	2.39	1.85	1,568,346
February 2022	2.34	1.85	566,324
March 2022	2.40	2.04	692,177
April 2022	2.30	1.71	558,575
May 2022	2.24	1.78	770,200
June 2022	2.02	1.68	1,525,108
July 2022	1.95	1.60	782,242
August 2022	1.79	1.57	4,687,925
September 2022	1.80	1.42	1,592,284
October 2022	1.80	1.49	519,620
November 2022	1.97	1.52	598,649
December 2022	2.00	1.66	820,201
January 1 – 30, 2023	2.40	1.90	3,388,600

RISK FACTORS

Investing in the Company's securities is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of its development. An investment in the Offered Shares is subject to a number of risks and uncertainties, some of which are unknown or currently deemed immaterial but which could materially adversely affect the Company's future business, financial condition and results of operations and prospects, that should be carefully considered by a prospective purchaser. Before deciding whether to invest in the Offered Shares, prospective investors should carefully consider, in light of their own financial circumstances, the risks described below and those incorporated by reference into this short form prospectus, including in the AIF and those described in the Annual MD&A and Interim MD&A. See "Documents Incorporated by Reference". The risks discussed below also include forward-looking statements and the Company's actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Information".

Risks Related to this Offering and the Common Shares

The Common Shares are Subject to Market Price Volatility

The market price of the Common Shares may be adversely affected by a variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, the results of any public announcements made by the Company and the Company's failure to meet analysts' expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company's performance. Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Company's operations, such as legislative or regulatory developments, competition, technological changes, global capital market activity and changes in interest and currency rates. There can be no assurance that the market price of the Common Shares will not

experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

The value of the Common Shares will be affected by the general creditworthiness of the Company. The AIF and the Company's management's discussion and analysis are incorporated by reference in this short form prospectus and discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations. The market value of the Common Shares may also be affected by the Company's financial results and political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which the Common Shares are traded and the market segment of which the Company is a part.

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment in the Company. Only investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Potential Dilution

The Company's articles allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as established by the board of directors of the Company, in many cases, without the approval of the Company's shareholders. As part of this Offering, the Company could issue up to 17,250,000 Offered Shares (which number includes the 2,250,000 Offered Shares issuable if the Over-Allotment Option is exercised in full by the Underwriters). The Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Forward-Looking Statements May Prove to be Inaccurate

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on such risks, assumptions and uncertainties can be found in this short form prospectus under the heading *"Cautionary Statement Regarding Forward-Looking Information"*.

The Company May Use the Proceeds of the Offering for Purposes Other Than Those Set Out in this Short Form Prospectus

The Company currently intends to allocate the net proceeds received from the Offering as described under the heading "*Use of Proceeds*" in this short form prospectus. However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described under the heading "*Use of Proceeds*" if it believes that it would be in the best interests of the Company to do so if circumstances change. Shareholders of the Company may not agree with the manner in which management chooses to allocate and spend the net proceeds of the Offering. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Company.

Potential Need for Additional Financing

Despite the anticipated net proceeds from the Offering, the Company will require significant additional financing, including through the sale of assets and/or the issue and sale of equity or debt securities to satisfy the operational and

capital costs at its properties, if various events alone or in combination occur. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner or on acceptable terms, if at all.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development of the Project; however, there can be no assurance that it will generate positive cash flow from operations in the future. During the fiscal year ended December 31, 2021, the Company had negative cash flow from operating activities and anticipates having negative cash flow from operating activities in future periods. To the extent that the Company continues to have negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves, which may include proceeds from the Offering, to fund such negative cash flow. There can be no assurance that the Company will be able to generate a positive cash flow from its operations. Furthermore, significant additional financing, whether through the issue of additional securities and/or debt, will be required to continue the development of the Project. There can be no assurance that the Company will be able to obtain adequate additional financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Cactus Project.

Investors May Lose Their Entire Investment

An investment in the Offered Units is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Corporation.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Bennett Jones LLP, on behalf of the Company, and by McCarthy Tétrault LLP, on behalf of the Underwriters.

INTEREST OF EXPERTS

Information of a scientific or technical nature in respect of the Project included or incorporated by reference in this Prospectus, other than in respect of scientific and technical information as at a date subsequent to the effective date of the Technical Report, is based upon the Technical Report, which was prepared by the following authors: Jason Sexauer, P. Eng., P.E. of Stantec Inc.; Wilhelm Max-Otto Greuer, Ph.D., P.E. of Stantec Inc.; Allan L. Schappert, CPG, SME-RM of Stantec Inc.; and Dr. Martin C. Kuhn, PE, SME-RM of Minerals Advisory Group LLC, all of whom are independent "qualified persons" under NI 43-101. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individuals and, as applicable, their firms, beneficially owns, directly or indirectly, less than 1% of the outstanding Common Shares.

Each of Bennett Jones LLP, counsel for the Company, and McCarthy Tétrault LLP, counsel for the Underwriters, have provided its opinion on certain matters contained in this Prospectus. As at the date hereof, the partners, counsel and associates of Bennett Jones LLP and McCarthy Tétrault LLP each as a group, beneficially own, directly or indirectly, less than 1% of the Common Shares of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Professional Accountants ("**PwC**"), located at PwC Tower, 18 York Street Suite 2600, Toronto, Ontario, Canada, M5J 0B2. The consolidated annual financial statements of the Company for the years ended December 31, 2021 and 2020 have been audited by PwC. PwC has confirmed that they are independent of the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The transfer agent and registrar of the Company is TSX Trust Company at its principal office in Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

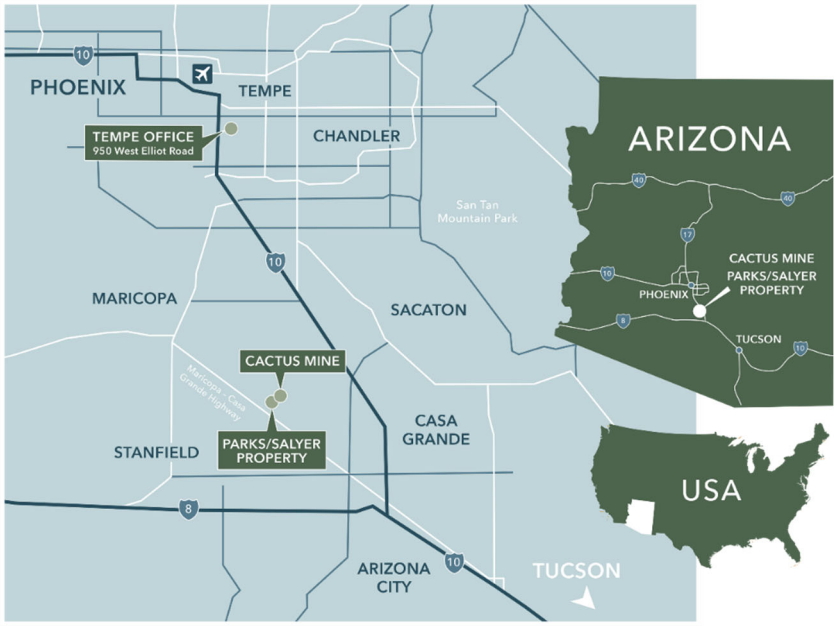
APPENDIX "A"
INFORMATION RELATING TO THE PROJECT

Scientific and technical information relating to the Project provided in this Prospectus is supported by Technical Report prepared, reviewed, and approved by Jason A. Sexauer, P. Eng., P.E., Wilhelm Max-Otto Greuer, Ph.D., P.E., Allan Schappert, CPG, SME-RM and Martin Kuhn, P.E, SME-RM, each of whom is a "qualified person" for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Reference should be made to the full text of the Technical Report, which is available on SEDAR (www.sedar.com) under ASCU's issuer profile. The Technical Report is subject to certain assumptions, qualifications and procedures described therein.

ASCU previously filed a Preliminary Economic Assessment on the Cactus Project titled *"Arizona Sonoran Copper Company Inc., Cactus Project, Arizona, USA – Preliminary Economic Assessment"* with an effective date of August 31, 2021 (the "**2021 Cactus PEA**") which covered the mining, process, infrastructure design, capital cost and operating cost of the Cactus Project. The results and conclusions of the 2021 Cactus PEA are still considered current and as such included in the Technical Report. The mineral resource estimate for the Parks/Salyer Project as described in the Technical Report was not included in the 2021 Cactus PEA and it does not have a negative impact on or otherwise adversely affect the mineral resource estimate that formed the basis of the 2021 Cactus PEA. The effective date of the Cactus Project mineral resource is March 1, 2021, the Stockpile mineral resource April 4, 2021 and the effective date of the Parks/Salyer mineral resource is September 16, 2022.

Project Description, Location and Access

The Project is located 40 road miles south southeast of the Greater Phoenix metropolitan area and approximately 3 miles northwest of the city of Casa Grande, Pinal County, Arizona. The Project, located at the historic Sacaton mine, is 10 miles due west of the Interstate 10 (I-10) freeway. Access to the Project is approximately 4.6 miles west of Arizona State Route 387 (AZ-387) on North Bianco Road off the West Maricopa-Casa Grande Highway. The following figure shows the general location of the Cactus Project and Parks/Salyer Project:



In 2019, Cactus 110 LLC ("**Cactus 110**"), a subsidiary of ASCU, executed a purchase agreement and prospective purchase agreement with the ASARCO Trust and the Arizona Department of Environmental Quality ("**ADEQ**"), respectively, for the right to acquire all American Smelting and Refining Company ("**ASARCO**") land parcels representing the Cactus Project, as well as all infrastructure therein, and all associated mineral rights.

In July 2020, ASCU successfully closed on the property and acquired full title for the Cactus Project. In addition, Cactus 110 closed on the Merrill properties comprising the Parks/Salyer Project. Also in 2020, ASCU acquired a prospecting permit for adjacent land owned by the Arizona State Lands Department.

In February 2021, Cactus 110 executed an agreement with Arcus Copper Mountain Holdings LLC and several co-owners to purchase 750 acres of land also adjacent to the Project. Further, in May 2021, Cactus 110 entered into an agreement with LKY / Copper Mountain Investments Limited Partnership LLP to purchase 1,000 acres of land adjacent to the Project referred to as the LKY Property.

Additionally, in February 2022, ASCU entered into an agreement with Bronco Creek Exploration Inc. to transfer Bronco Creek Explorations Mineral Exploration Lease ("**MEP**") with the Arizona State Lands Department to ASCU. The MEP consists of 157.50 acres of state-owned surface and minerals.

The Cactus Project comprises total landholdings of approximately 4,850 acres. The privately-owned land assets represent, among other things, the mineral rights to the old Sacaton East, Sacaton West and Parks/Salyer deposits. Arizona Sonoran Copper Company USA, Inc, ("**ASCU USA**") is a subsidiary of Arizona Sonoran Copper Company, Inc, and intends to operate the mine under the name Cactus.

Along with these properties, ASCU filed a Notice of Intent to Locate with the Bureau of Land Management Arizona in October 2019 (AZA 37933), staked 18 lode claims on January 17, 2020, and acquired the rights to the federal minerals under the Arcus surface. These claims are for lands in the north half of section 35, Township 5 South, Range 5 East, of which ASCU purchased from ARCUS in 2021.

Royalties and Encumbrances

A 3.18% royalty is assumed to be applicable to the Cactus Project and part of the Parks/Salyer Project for the purposes of the Technical Report based on current contractual arrangements. In addition to the royalties granted by ASCU USA, the Cactus Project is also subject to existing 5% net smelter royalty on the SW¼, W½SE¼, and E½SE¼ of Section 27 and the SW¼, Township 5 South, Range 5 East, which are outside the areas contemplated by the mine plan in the Technical Report.

Existing Litigation

Ramm Power Group LLC ("**Ramm**") had expressed interest in developing a pumped hydro renewable energy project at the site and had previously publicly announced that it would apply for a Federal Energy Regulatory Commission ("**FERC**") license so that it could use FERC's eminent domain authority to acquire the property. The application was not contested and, consistent with its practice to issue preliminary permits to uncontested applications, by order of 19 July 2018, FERC granted the preliminary permit. The preliminary permit gives Ramm no rights in the site or rights to develop their project. The preliminary permit only initiates the longer permitting process. On January 15, 2020, Ramm began the formal licensing process by filing its Notice of Intent ("**NOI**") and Pre-Application Document ("**PAD**"), together with a Letter Requesting Use of Traditional Licensing Process ("**TLP**"). The ASARCO Trust, to which ASCU is under contract to acquire the property from, ASCU, and ADEQ all filed comments opposing Ramm's initiation of the licensing process. ASCU is an interested party in any permitting and licensing activities related to the Sacaton mine site. On March 4, 2020, FERC rejected Ramm's NOI and PAD as "patently deficient". FERC determined the pre-application document relied upon a single study conducted for the purpose of remediating a copper mine site, lacked agency or tribal consultation, and was therefore incomplete. FERC also cited the public comments received from ASCU that Ramm does not have rights to access the site to conduct the required studies.

On July 9, 2021, Ramm requested a two-year extension of its preliminary permit. On August 12, 2021, FERC denied the request because Ramm filed the request after the deadline. FERC noted, however, that the rejection does not preclude Ramm from filing for an entirely new preliminary permit for the project. On September 9, 2021, Ramm requested rehearing of FERC's denial of Ramm's request for a two-year extension of Ramm's preliminary permit. FERC did not act on the request for rehearing within 30 days of the filing of the request, and therefore the request was considered denied by operation of law. An aggrieved party has 60 days from FERC's action on a request for rehearing or the request's denial by operation of law to appeal the decision to the United States Court of Appeals. Until FERC

files the record on appeal with a reviewing court, FERC may modify a previous order. FERC's right to modify a previous order applies regardless of whether an appeal is actually filed.

By June 10, 2020, ASCU was notified of a FERC application filed by REAggregators ("**REA**") for a preliminary permit for Project No. 15010-000 to study the feasibility of developing an approximately 200 megawatt ("**MW**") closed-loop, pumped-storage hydro project near Casa Grande in Pinal County, Arizona. Note that REA is a direct affiliate of Ramm. As portrayed in the application, approximately 50-100 acres of the proposed project site ("**Casa Grande Hydro Site**") would overlap with land ASCU purchased in July 2020 from the ASARCO Trust. As a result, ASCU is an interested party in this matter. On August 8, 2020, ASCU filed their response with FERC, again outlining plans to develop a copper mine on the Cactus Project, further re-iterating that REA has no permission to access the property. The Casa Grande Hydro Site would encroach on the mine shaft of the Cactus Project materially impeding underground extraction activities. On October 21, 2021, FERC granted REA's application for a preliminary permit. In its Order granting the preliminary permit to REA, FERC noted ASCU's concerns and stated the permit does not grant land-disturbing or other property rights and that if REA later filed a license application, FERC would consider all relevant issues, including potential land use conflicts such as those raised by ASCU.

History

ASARCO geologists first discovered the Sacaton mineral deposit in the early 1960s while examining an outcrop of leached capping composed of granite cut by several thin monzonite porphyry dikes. The nature of this original find indicated the likely presence of porphyry copper-type mineralization. Following this lead, ASARCO initiated a drilling program that defined copper mineralization zones. The west zone contained the ore body that was ultimately accessed through the open pit. The deeper east zone was the target of potential mining by underground methods. During the life of the project, ASARCO drilled an approximate 223,246.4 feet ("**ft**") (68,046 metres ("**m**")) of both core and rotary exploration drilling. A detailed list of historic drilling is provided in Appendix "A" to the Technical Report.

Project construction and mining of the west zone via open pit method commenced by 1972, and the mine operated continuously from 1974 to 1984. An underground copper deposit at Sacaton was under development until September 1981, when work was suspended because of high costs and a weak copper market. The Sacaton mine permanently closed on March 31, 1984, due to exhaustion of the open pit ore reserves. Over the operating life of the mine, 38.1 million short tons of ore were mined and processed, recovering 199,030 short tons of copper, 27,455 ounces ("**oz**") of gold and 759,000 oz of silver. See table below for the Sacaton mine historic production.

Sacaton Mine Historic Production (Fiscal Years Ended December 31)

Year	Ore Milled Short Tons	Mill Grade Cu%	Mill Grade Ag Oz./Ton	Cu Short Tons	Au Troy Oz.	Ag Troy Oz.
1974	2,020,000	0.63	0.05	9,516	N/A	N/A
1975	3,630,000	0.74	0.06	21,918	3,153	N/A
1976	3,782,000	0.71	0.07	22,021	3,151	N/A
1977	3,471,000	0.70	0.06	19,872	3,103	N/A
1978	4,153,000	0.67	0.07	23,042	3,691	N/A
1979	4,006,000	0.65	0.07	21,367	3,558	142,000
1980	3,819,000	-	-	16,097	2,504	124,000
1981	4,103,000	-	-	21,015	3,334	172,000
1982	4,165,000	-	-	20,892	2,499	154,000
1983	4,003,000	-	-	18,794	1,983	134,000
1984	1,000,000	-	-	4,496	479	33,000
Total	**38,152,000**	**0.69**	**0.06**	**199,030**	**27,455**	**759,000**

Source: Sacaton Mining Operations Report Version 2005. By David F. Briggs 10/22/2004.

The resultant Sacaton open pit mine is roughly circular, approximately 3,000 ft (914 m) in diameter and 1,040 ft (317 m) deep. The pit has a visible internal lake with the surface at approximately 980 ft (299 m) in depth from the pit rim. During operation, the Sacaton mine consisted of the pit, crushing facilities and coarse ore stockpile, a 9,000 tonne per day ("**tpd**") flotation mill, a tailings storage facility that covered approximately 300 acres, a return water impoundment, an overburden dump, and a waste rock dump that covered approximately 500 acres. Production from the open pit was approximately 11,000 tpd. Copper flotation mill concentrate was sent by rail to the ASARCO smelter in El Paso, Texas.

During mining of the open pit, a waste dump was created through dumping of defined waste material. All oxide copper mineralization, and sulfide copper mineralization below the working grade control cutoff of 0.3% copper, were deposited to the waste dump. The historic waste dump forms the basis of the Stockpile Project resource modelled in the Technical Report due to the level of mineralized material discarded.

During the operating period, ASARCO also sank a 2,000-foot shaft just east of the pit to access the deeper east deposit. Since the suspension of activity at the site in 1984, intermittently and per a site improvement plan ("**SIP**"), fixed equipment and rolling stock have been removed from the site, and fixed plant locations and the tailings disposal facility were covered with previously salvaged and stockpiled desert alluvial soil material and revegetated.

Parks/Salyer was first drill intercepted in January 1976 as part of a work commitment hole. S-144 was ultimately located on the very eastern edge of the current Parks/Salyer resource. Later in 1976, three follow-up holes were drilled on the property immediately to the south of ASCU's property and intercepted the southern side of the Parks/Salyer deposit as part of an ASARCO-Freeport joint venture. No immediate further exploration work was undertaken at Parks/Salyer. However, exploration targeting interpretations in 1978, 1981, and 1984 had interpreted the potential of higher-grade enrichment mineralization to the north in the area now known for the Parks/Salyer deposit. Four holes had been planned in 1984 but were undrilled at the time. In May 1996, two of those planned holes were drilled (S-200 and S-201) which were successful in intercepting higher grade and thicker enriched and primary mineralization however no further exploration was undertaken at Parks/Salyer until ASCU acquired the property in 2020.

In 2005, ASARCO filed for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division (the "**United States Bankruptcy Court**"). By 2008, the United States Bankruptcy Court approved the process by which ASARCO would pursue the selection of a plan sponsor and sale of its operating assets. During that year, and after a bidding process for the purchase of ASARCO's assets, Sterlite (USA), Inc. ("**Sterlite**"), a subsidiary of Vedanta Resources PLC, executed a purchase and sale agreement in the amount of US$2.6 billion for ASARCO's assets. After the purchase and sale agreement was executed, copper prices began to decline, and by October 2008, Sterlite representatives informed the United States Bankruptcy Court that the company could not honor the contract.

On June 5, 2009, the United States Bankruptcy Court approved a custodial trust settlement agreement (the "**Settlement Agreement**") that resolved claims pertaining to past and potential future cleanup costs associated with approximately 18 sites owned by ASARCO in 11 states. The Settlement Agreement required the establishment of a custodial trust to oversee cleanup of the sites and transfer of site property to the custodial trust. The Settlement Agreement also provided funding in the amount of US$20 million to clean up the Sacaton site and to fund the administrative expenses associated with the ASARCO Trust.

From 2009 to 2018, attempts were made by other parties to purchase the Sacaton site and associated facilities. In 2019, Cactus 110 executed a purchase agreement and prospective purchase agreement with the ASARCO Trust and the ADEQ, respectively, for the right to acquire all ASARCO land parcels representing the historic Sacaton mine, all infrastructure therein, and all associated mineral rights. The acquisition closed in July 2020 following the completion of SIP activities undertaken by the ASARCO Trust and approved by the ADEQ. Since 2020, the Sacaton deposits are referred to as the Cactus deposits.

ASARCO worked continuously on the project from the early 1960s to the mid-1980s, and significant records of the development of the geological understanding, mining operations and processing results remained with the property. ASCU is benefiting from the high quality of work and historical records remaining from the past operators.

Geological Setting, Mineralization and Deposit Types

The Project occurs in the desert region of the Basin and Range province of Arizona. These combined deposits are part of a large porphyry copper system. Major host rocks are Precambrian Oracle Granite and Laramide monzonite porphyry and quartz monzonite porphyry. The porphyries intruded the older rocks and form mixed breccias; monolithic breccias and occur as large masses, poorly defined dike-like masses; and thin well-defined but discontinuous dikes. Structurally the deposit is complex with intense fracturing, faulting, and both pre-mineral and post-mineral brecciation. It is bounded on the east and west sides by normal faults.

Chalcocite and covellite are the only supergene sulfides recognized. The chalcocite blanket in the mineralized zone is irregular in thickness, grade, and continuity. The thickness of leached capping varies from less than 100 ft (30 m) to over 650 ft (198 m), with the thicker intercepts on the north side. Substantial quantities of oxidized copper minerals are found erratically distributed through the capping. Chrysocolla, brochantite, and malachite are the most common oxidized copper minerals. In upper portions of the capping, chrysocolla predominates, while brochantite and malachite predominate in the lower portions. The dominant hypogene alteration assemblages in the deposit are phyllic and potassic. The major hypogene sulfide minerals in the deposit are pyrite, chalcopyrite, and molybdenite.

Hypogene sulfides occur as disseminated grains, veins, and vug fillings.

The Cactus deposit and Park/Salyer deposits are a portion of a large porphyry copper system that has been dismembered and displaced by Tertiary extensional faulting. Porphyry copper deposits form in areas of shallow magmatism within subduction-related tectonic environments. Both Cactus and Parks/Salyer have typical characteristics of a porphyry copper deposit, defined as follows:

- A deposit wherein copper-bearing sulfides are localized in a network of fracture-controlled stockwork veinlets and as disseminated grains in the adjacent altered rock matrix.

- Alteration and mineralization at 1 km to 4 km depth are genetically related to magma reservoirs emplaced into the shallow crust (6 km to over 8 km), predominantly intermediate to silicic in composition, in magmatic arcs above subduction zones.

- Intrusive rock complexes that are emplaced immediately before porphyry deposit formation and that host the deposits are predominantly in the form of upright-vertical cylindrical stocks and/or complexes of dikes.

- Zones of phyllic-argillic and marginal propylitic alteration overlap or surround a potassic alteration assemblage.

- Copper may also be introduced during overprinting phyllic-argillic alteration events.

Hypogene (or primary) mineralization occurs as disseminations and in stockworks of veins, in hydrothermally altered, shallow intrusive complexes, and their adjacent country rocks. Sulfides of the hypogene zone are dominantly chalcopyrite and pyrite. The hydrothermal alteration zones of porphyry copper deposits are well known and provide an excellent tool for advancing exploration.

Uplift of the porphyry system to shallow depths can result in secondary enrichment processes where copper is leached from the weathering of hypogene mineralization and redeposited below the water table as supergene copper sulfides, such as chalcocite and covellite. Above the water table, copper oxide minerals typically form. Both the Cactus and Parks/Salyer deposits have a history of oxidation and leaching which resulted in the formation of an enriched chalcocite blanket. A later stage of oxidation and leaching modified the blanket by oxidizing portions of it in place and mobilized some of the chalcocite to a greater depth.

Exploration and Drilling

ASARCO geologists first identified the Sacaton mine area in early 1961 while performing regional mapping and sampling in and around the Sacaton Mountains. A lone outcrop of altered and weakly mineralized granite encompassed

by alluvium was the only indicator of the potential for porphyry copper-type mineralization in the surrounding area. Following its acquisition of mineral rights, ASARCO conducted several geophysical surveys, including magnetics and induced polarization ("**IP**"). The IP survey identified a large area just south of the outcrop with a chargeability response indicative of sulfide mineralization.

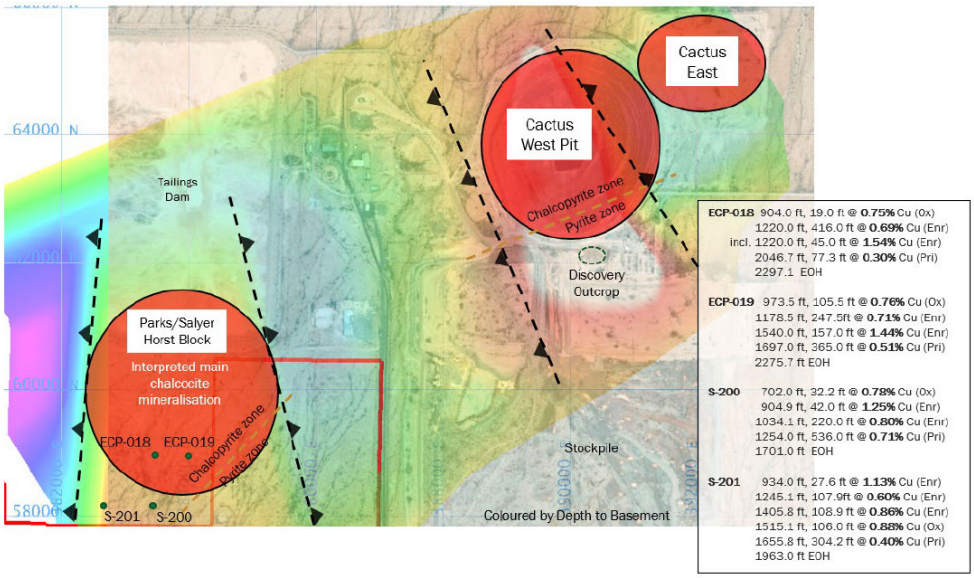
In the fall of 1961, ASARCO authorized and initiated a modest six-hole drilling program. The first drill hole was located just north of the discovery outcrop, intersecting approximately 50 ft (15 m) averaging close to 0.5% Cu. The next four holes were drilled south, east and west of the first hole in the geophysical target area but did not hit significant results. The sixth and final budgeted drill hole (located to the northwest of the IP anomaly and the discovery outcrop) did intercept high grade mineralization — the discovery of the Sacaton West deposit. In 1962 through to the first half of 1963, 82 more holes were drilled. These 88 holes outlined a north-easterly trending alteration zone approximately 4 mi (6.4 km) long and 1.5 mi (2.4 km) wide dominated by what was recognized as two potential ore bodies, the Sacaton West and Sacaton East deposits, as well as widespread intercepts of copper mineralization throughout. Low copper prices precluded any further exploration drilling at that time.

Improving market conditions prompted ASARCO to continue exploration drilling in 1968 and 1969, leading to 37 more holes being drilled. The additional information led to the decision to plan and develop the mine. An additional 10 holes were drilled (1970 and 1971) to sterilize areas under planned facilities. After mining was initiated in 1972, development and definition drilling was conducted for the open pit (Sacaton West deposit). Through 1974 and 1976, 8 additional holes were drilled in the Sacaton East deposit for definition purposes.

The adjacent Parks/Salyer property was variably explored between the 1970s and the late 1990s. Parks/Salyer is a less displaced portion of the larger porphyry copper system that both deposits were detached from. A number of diamond drill holes identified mineralization and geological characteristics consistent with the Cactus deposits in a similar horst block environment. In 1996, two exploration diamond drill holes were undertaken by ASARCO at the southern edge of the Parks/Salyer property (S-200 and S-201). As interpreted, they intersected well-mineralized zones of oxide, enriched and primary material that indicated grades were increasing to the north.

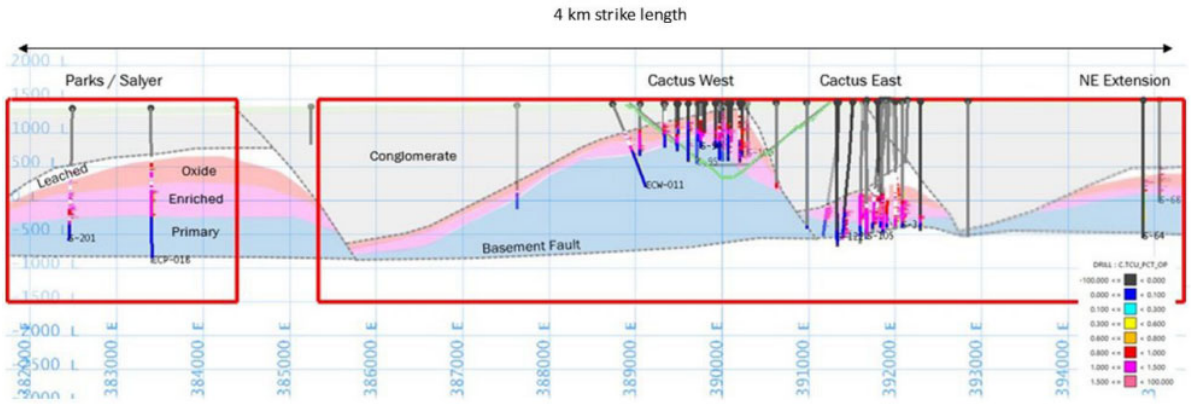
ASCU conducted an ionic leach soil geochemistry program over the Parks/Salyer property in 2019 on 325-foot (100 m) spacing. This confirmed anomalous soil geochemistry across the property for copper, molybdenum, silver and gold and a general northeast trend of the higher anomalous values. ASCU followed this work with two diamond drill holes in 2020 (ECP-018 and ECP-019). This extended mineralization a further 900-1,000 ft (275 305 m) to the NE of previously drilled mineralization. Drilling resumed in late 2021 with hole ECP-042, continued throughout 2021 and into 2022 with the completion of ECP-096, resulting in 26 holes totaling 58,481 ft of HQ core. The figure below plots the location and scale of the potential Parks/Salyer deposit with respect to the Cactus mine deposits and highlights the significant intercepts defined by the four exploration holes drilled into the deposit on the property to date.

Location and Scale of the Potential Parks/Salyer Deposit with respect to the Cactus Mine Deposits



The figure below is a northeast oriented long section displaying the horst and graben block fault and mineralization interpretation from the Parks/Salyer deposit in the southwest through to the NE Extension mineralization in the northeast. Northeast movement along the Basement fault was accommodated by block rotation and the formation of northwest trending normal faults. The red boxes indicate ASCU controlled property boundaries. The existing Cactus West pit is displayed on the long section.

NE Oriented Long Section Displaying Mineralization Interpretation and Property Boundaries



The NE Extension is located 3,000 ft (915 m) to the northeast of Cactus East. ASARCO defined the mineralized zone with wide spaced exploration drilling (> 1,000 ft |305 m) in 1962 and 1963 as part of the initial property-wide exploration program. The table below provides the significant intercepts for the two main holes drilled into the NE Extension mineralization. ASCU has not performed any exploration programs on the NE Extension area to date.

Significant Intercepts for the Two Main Holes Drilled into the NE Extension Mineralization

Hole ID	From (ft)	To (ft)	Length (ft)	TCu (%)	Mineral Zone
S-68	1,016.5	1,044.5	28.0	1.27	oxide
	1,078.5	1,125.8	47.3	0.95	oxide
	1,161.0	1,208.8	47.8	3.05	oxide
	1,275.0	1,290.1	15.1	1.96	enriched
	1,322.4	1,354.1	31.7	0.97	enriched
	1,354.1	1,526.0	171.9	0.38	primary
S-64	1,093.9	1,104.2	10.3	1.01	oxide
	1,163.0	1,227.3	64.3	1.37	enriched
	1,333.7	1,350.9	17.2	0.89	enriched
	1,350.9	1,776.0	425.1	0.34	primary

ASCU has focused their exploration by way of definition and expansion core drilling around the two known mineralized zones (now known as Cactus East and Cactus West). In 2019, two vertical PQ core holes were drilled into the Cactus East mineralized zone for verification of grade and for metallurgical testing as part of the evaluation program prior to purchase. One additional vertical PQ core hole was drilled into Cactus East in 2020 for further metallurgical testing, for a total of 5,768 ft (1,758 m). Five angled HQ core holes totaling 9,252 ft (2,820 m) were drilled in late 2019 and 2020 around the northern and western edges of Cactus East to define and expand mineralization. Also in 2020, 11 angled HQ core holes totaling 15,377 ft (4,687 m) were drilled around the perimeter of the Cactus West pit to further define and expand Cactus West mineralization beyond the pit limits.

The Cactus deposits are covered with post mineral alluvium and conglomerate, which may be up to 1,500 ft (457 m) thick. ASARCO rotary drilled through the cover alluvium and conglomerate and completed the remainder of the holes with NX/HX core tails. All of ASARCO's drill holes, exploratory and production holes within the developing pit were drilled vertically and very few were downhole surveyed. ASCU started a similar program in 2019 on the first two (PQ) metallurgy holes but converted to coring the full hole after unsatisfactory results. Core recovery, on average, was greater than 95%.

ASCU completed a total of 20 core holes in the Cactus resource area in 2019 and 2020 for a total of 30,397 ft (9,265 m) of drilling. Of the 20 diamond drill holes completed, 19 were used for the Mineral Resource estimate. In 2021 and 2022, 27 drillholes were undertaken by ASCU in the Parks/Salyer resource area for a total of 60,876 ft (18,555 m) of drilling. All 27 holes completed in the Parks/Salyer areas were used for the Parks/Salyer Mineral Resource estimates. In 2019, 55 surface sonic drill holes totaling 5,120 ft (1,560 m) of 6-inch diameter holes were drilled across the Stockpile Project to support an initial resource based on approximately 750 ft (229 m) spaced drilling. Through late 2020 and early 2021, an infill surface sonic drill program was undertaken to reduce the spacing to 400 ft (122 m). The resource database for the Stockpile Project resource contains 210 holes, including four historical sterilization holes drilled into the barren alluvium dumps to the immediate north of the Stockpile Project. Drilling continues on the Stockpile Project to reduce the spacing to 200 ft (61 m).

Sample Preparation, Analysis and Security

ASCU has been exclusively using Skyline Assayers and Laboratories ("**Skyline Labs**") in Tucson, Arizona for their sample preparation and analysis. The QP has visited the lab to review the procedures used for sample preparation, analysis and the lab's internal quality assurance / quality control ("**QA/QC**") system.

The lab dispatches drivers to pick up samples at the mine site. Upon arrival at the lab, totes were offloaded and stored. When the samples were ready to be processed, the bags were emptied into metal bins and the sample bags with tags placed on top. The bins and bags were placed in an oven at 220□F (105□C) for 24 hours to dry before moving into the lab for processing.

Each sample was crushed in a TM Engineering – Terminator roll crusher to 95% passing 1/4 inch. This material was passed through a riffle splitter and mixed three times to ensure homogeneity of the sample. Three-quarters of the sample was then bagged, labelled and returned to ASCU as coarse reject. The remaining material was returned to the roll crushers and crushed to 95% passing -10 mesh. A 280-gram sample of this material was put in a Labtech LM2-P puck pulverizer and run to 95% passing -150 mesh. This sample was then placed into labelled heavy paper envelopes and sent to the lab for assay.

As a first pass, each sample was assayed for total copper ("**CuT**"). To support potential heap leaching for metal recovery, a sequential acid leach assay procedure was conducted on each sample to return an acid soluble copper value ("**CuAS**") and a cyanide soluble copper ("**CuCN**") value. The remaining pulverized sample in the heavy paper envelope was returned to ASCU together with the coarse reject.

Bagged samples with identification tags are placed in large 3-foot (1 m) square plastic totes which are stored at a core shed situated within the secured mine site away from any point of access until ready for transport. ASCU also uses a private contractor to transport the sampled totes to the lab. When 8 to 10 totes are filled, the contractor is called to make a pickup. A transmittal sheet is prepared that lists all the samples in the shipment with an assay order sheet for the analysis to be done. A chain of custody sheet is signed by ASCU upon dispatch, signed by Skyline Labs upon arrival, and returned to ASCU to show secure delivery.

Skyline Labs is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005. Their quality management system has been certified as conforming to the requirements defined in the International Standard ISO 9001:2015. The standard operating procedure used while processing the ASCU samples was to process samples in groups of 20. Each tray consisted of 18 samples, with samples No. 1 and No. 10 repeated as duplicates. The results from each tray were analyzed and any variance in the duplicates of more than 3% would result in the entire tray being re-assayed.

The results of these analyses, including the QA/QC checks, were transmitted to a select set of individuals at ASCU and Stantec.

The QP has reviewed the assay lab's procedures and QA/QC results in detail and finds that it meets all of the expected standards and best practices as defined in CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines 2019 (the "**CIM Best Practice Guidelines 2019**"). The assay results and associated data meets the level of accuracy expected for the Technical Report.

Data Verification

The bulk of the Cactus drilling database was rebuilt from historical drilling logs and assay certificates from exploration work undertaken by ASARCO. ASCU performed significant verification work on the historical drill holes to support the use of this data in the Technical Report. Since 2019, ASCU has also drilled 20 new holes at the Project to support verification, metallurgical testing and resource extension for the new mineral resource estimate. The Parks/Salyer resource database holes are composed primarily of 27 new holes drilled by ASCU between 2021 and 2022. There were only four historical holes supporting the Parks/Salyer resource estimate.

For the 20 new Cactus drill holes, 27 new Parks/Salyer drillholes, and 206 new Cactus Stockpile Project drill holes undertaken by ASCU since 2019, and the re-assay program undertaken on historical pulps, a modern QA/QC program was undertaken composed of blanks and standards. Pulp duplicates were discussed earlier with respect to historical pulp samples and will feature in future programs on modern pulp samples.

During early visits to the mine site and core sheds, the QP worked with the geologists to select a number of pulps from historical core and requested that they be sent to Skyline labs to compare results with historical assay records and certificates. These data were analyzed and verified by the QP as an independent check of the assaying controls and procedures used by the assay lab and core samplers. Particular attention was paid to the QA/QC records for this group of samples both internal to the lab and the blanks, duplicates, and standards submitted by ASCU.

The QP has reviewed all the associated data in detail and finds that it meets all the expected standards and best practices as defined in CIM's Best Practices Guidelines 2019. The drill results and associated data meets the level of accuracy expected for the Technical Report.

Mineral Processing and Metallurgical Testing

The material to be processed as part of the Cactus open pit expansion project is an extension of the open pit mining operations conducted by ASARCO that took place in the 1970s and early 1980s. The prior operations comprised traditional copper milling and flotation concentration operations to produce copper sulfide concentrates for processing at local smelters.

In consideration of a potential copper heap leaching and solvent extraction / electrowinning ("**SX/EW**") processing facility at the Cactus Project is based on processing existing Stockpile Project oxidized copper resources, a hydrometallurgical approach was also contemplated to process the oxide and enriched sulfides (chalcocite / covellite dominant) material identified in the mineralized Cactus East and Cactus West extensions to the existing open pit reported in the Mineral Resource estimate.

ASCU's geologists are working with metallurgical engineers to quantify the recovery of copper from samples obtained in a large drilling campaign The drill core samples are safely recovered and placed in bags to be studied by geologists and shipped to a well-established mineral processing research and development firm in Reno, Nevada — McClelland Analytical Service Laboratory, an ISO 17025 accredited facility. The metallurgical test program has been developed by Samuel Engineering and supervised by Mr. James L. Sorensen.

Metallurgical characterization testing has been completed as part of the Technical Report in the form of sequential assay (sulfuric acid and cyanide steps) for the resources considered and bottle roll testing. Three samples from newly drilled core were selected to reflect copper grades close to the presumed average of the economically processable material in the open pit resource for column testing to be completed in the next phase of work. Assay data and bottle roll testing was completed for this study on head samples from the three column test samples currently under acidic and bioleach conditions.

Based on typical recovery estimates for CuAS and CuCN as provided by a standard sequential copper assay methodology developed at the Skyline Labs facility in Tucson, Arizona, projected copper recovery estimates have been derived based on leachable copper content that will be validated in the ongoing column testing program.

Based on the current understanding of the potential Stockpile Project resources to be processed, the leachable materials are characterized as oxide having a CuAS content of greater than or equal to 80% and a CuCN content for the balance to a cutoff grade of 0.095% CuAS + CuCN content, or soluble copper ("**TSol**") that is potentially recoverable.

The cutoff grade considered at 0.095% is estimated from preliminary operating costs and is not based on a mining evaluation or detailed analysis and was therefore used to establish a potential economically viable component of the resources estimated. There is a reasonable probability of eventual economic extraction of this resource using sulfuric acid leaching and SX/EW recovery at a cutoff of 0.095% TSol.

Materials with a TSol grade above the cutoff of 0.095% TSol but having a CuAS content of less than 80% is classified as sulfide or enriched materials for leaching purposes. Primary mineralization that is not acid or cyanide copper soluble (e.g., chalcopyrite) that reports in the CuT assays is not considered as recoverable metal in the current analysis.

The distribution of leachable oxide and enriched material types in the current mine plans is set out in the table below.

Potential Leach Materials Distribution

Mining Source	Material Type	Tons of Leach Material (tons)	Grade % TSol (% Cu)	Leachable Cu (tons)	Distribution Percent	
					Material	Cu
Stockpile Project	Oxide	82,331,000	0.141%	116,279	100%	100%
Open Pit	Oxide	46,810,000	0.190%	88,939	67%	48%
	Enriched	23,131,000	0.420%	97,150	33%	52%
Underground	Oxide	6,317,000	1.100%	74,271	23%	21%
	Enriched	21,208,000	1.330%	274,597	77%	79%
Total	**Oxide**	**135,458,000**	**0.203%**	**279,489**	**75%**	**43%**
	Enriched	**44,339,000**	**0.822%**	**371,747**	**25%**	**57%**
	Total	**179,797,000**	**0.355%**	**651,236**		

In parallel, copper flotation testing is also being conducted on higher grade sulfide material to consider the possible future incorporation of a traditional copper milling and flotation operation to treat higher grade enriched and primary mineralization (chalcocite / chalcopyrite dominant) material identified. Resources containing a maximum of 20% oxidized copper content are considered potential mill feed based on ASARCO historical performance.

The following is a summary of the major results and conclusions from the metallurgical test programs.

Stockpile Project Metallurgical Testwork

Based on the preliminary scoping testwork completed for Stockpile Project materials, the authors of the Technical Report provide the following observations:

- Copper recovery exceeded bottle roll 90-day predictions for the initial Stockpile Project column testing and should achieve extraction levels more than the predicted 83.3% for the soluble copper components.

- Based on the results to date, a copper recovery for 90% of CuAS and 40% of CuCN for a 90-day leaching cycle is recommended for resource evaluation and economic assessment at this time.

Additional considerations include the following:

- TSol recovery sensitivity showing at over 3/4 inch and P80 particle size of approximately 1.5 inch may indicate some oversize crushing could be considered.

- Larger run-of-Stockpile Project testing is required to evaluate the need for crushing particles larger than 1 inch.

- Rapid copper recovery less than 60 days and low CuCN content / impact indicates potential for on-off pad to minimize excess acid consumption and capital investment requirements for oxide ore types.

- Scalability has been considered in extending the timeframe to achieve the column testwork by 50% and employing a 95% extraction efficiency factor to both the CuAS and CuCN average column copper extractions achieved to date, allowing for inefficiencies in the leach solution flows and heap operations. As more information is developed, these factors will be re-evaluated in future reporting.

Acid consumption exceeded bottle roll expectations for test composites WD-22 and WD-50. A gross acid consumption of 20-40 pounds of acid per ton leached appears to be required for completion of the leaching process which implies a net acid consumption of 18-21 lb/t for the expected Stockpile Project resource soluble copper grades and 15-18 lb/t for higher copper grade open pit resources.

Additional considerations include the following:

- Acid / water initial leach solution is likely more aggressive than solvent extraction ("**SX**") raffinate (buffering not realized). Ongoing testing will employ leach solutions more like SX raffinate.

- Targeted initial leach solution acid concentration 15 gpl sulfuric acid was too high; pregnant leach solution pH ≤1.4 indicates that excess acid was applied and apparent for much of the testing period. Future testing will adopt a lower initial acid concentration of 10 gpl sulfuric acid as a starting point with additional adjustments as results warrant.

- Possible slow reacting gangue consumption (biotite and limonite) could be problematic for longer term leaching based on the preliminary results. Consideration of a longer duration (96-hour) bottle roll testing will be incorporated in future protocols.

Open Pit Metallurgical Testwork

Open pit column testwork is in progress and results presented in the Technical Report are indicative in nature only until column tail assays are completed for the sulfide / enriched columns. Copper recovery for oxide materials appears to be consistent with the Stockpile Project materials tested so far, and copper extraction and acid consumption recommendations should be used for oxide open pit resource evaluation.

Based on the indicative results for sulfide materials, a longer leaching time will be required to achieve copper extraction of 70% to 75% for the soluble copper components. Mineralogy also suggests that gangue encapsulation and pyrite inclusion is present, also indicating a longer leaching time requirement.

Scalability has been considered in extending the timeframe to achieve the column test work by 100% projected average column copper one-year extractions, allowing for inefficiencies in the leach solution flows and heap operations. As more information is developed, these factors will be re-evaluated in future reporting.

Historically, ASARCO testing in 1968 suggested a gross acid consumption of approximately 20.8 lb/t for the Sacaton West fresh core material. Gross acid consumption for the materials tested in the column work completed to date ranged from 21 lb/t to 31 lb/t.

Bottle roll tests suggest a net acid consumption of approximately 7 lb/t; however, copper extractions were low due to the mineralogical content. Net acid consumption was highly variable and ranged from 28.5 lb/t to 5.6 lb/t for the columns completed and is generally associated with the sample copper grade. The column result for the open pit oxide column was 5.6 lb/t on a net basis, attributing to the higher copper grade in this sample.

Due to the higher copper content and sulfide mineralization oxidation, the sulfide columns are presently net acid producing. This may be an advantageous feature once sulfide material is mined. For resource evaluations, an experience-based long-term net acid consumption of 1 lb/t is recommended as a conservative value for use in current economic evaluations until the current column testing is completed.

Floating Scoping Metallurgical Testwork

Based on the initial testing results, reasonable concentrator options exist for the Cactus primary copper sulfide material:

- Copper flotation recoveries approaching 90% or better appear to be reasonable.

- Significant improvement in the oxide copper recovery components with modern reagents are apparent which can simplify the prior ASARCO plant design.

- A SAG/Ball milling circuit is the most likely grinding option given the relatively soft material at Cactus. Given the apparent power requirements, relatively low energy costs should also be expected.

- The associated rougher concentrate grades provide positive starting points for saleable final concentrate grades once locked cycle testing is completed.

- No optimization work was completed; the results provide only indicative performance expectations. Locked cycle testing is planned as part of this initial program; however, this testing has not been started or completed.

Deleterious Elements

Preliminary testing has been completed on leach solutions, residues and testwork head samples that do not indicate the presence of constituents that would be deleterious to the proposed process methodology or indicate unexpected environmental impacts.

Head samples for the enriched samples leached were provided by McClelland to PMC Laboratory Ltd for multi-element analysis by 4-acid digest with ICP-AES finish (22 element). A polished block section was systematically scanned in high-resolution particle mapping mode using the Tescan Integrated Mineral Analyser (TIMA) equipped on the Tescan Vega Scanning Electron Microscope to determine the modal composition of the sample and collect more detailed information on the Cu-deportment. These analyses do not indicate the presence of known deleterious elements.

Minor amounts of atacamite (chloride copper mineral) have been historically observed, however no presence has been reported in current sampling. Silver is a known minor constituent of the deposit.

TCLP 8 RCRA metals (As, Ba, Cd, Cr, Pb, Se, Ag, Hg) analysis of final leach residues from the initial stockpile column tests was completed by Western Environmental Testing Laboratory (January 2021) and results included in the McClelland final report (February 2021). Results do not show significant or concerning levels of RCRA elements. The completed open pit oxide column 4600-01 head sample was submitted by McClelland to ALS USA Inc. for 4-acid digest with ICP (48 element) and trace mercury analysis for initial consideration of potential environmental concerns. Fresh material was deemed to be most representative of the material as mined. No material or unusual levels of potential contaminants or processing concerns were identified in this initial work. Water chemistry for probable site well make up sources have not been analyzed as part of this work. Prior hydrogeologic characterization completed by Tetra Tech Inc. for the Site Improvement Plan – Sacaton Mine Site, for the ASARCO Trust (11 March 2019) indicates water sources may contain natural chloride levels up to approximately 120 ppm which may have an impact on bioleaching if confirmed and not mitigated.

Mineral Resource Estimates

The mineral resource estimate provided herein, which includes both the Cactus and Parks/Salyer deposits, was calculated in accordance with the CIM's Definitions Standards for Mineral Resources and Mineral Reserves. The mineral resource estimate contained in the Technical Report represented the first mineral resource estimate for the Cactus and Parks/Salyer Projects and updated mineral resource estimate for the Cactus Stockpile Project. The estimate of the Mineral Resources supports both Indicated and Inferred Resources for Cactus, Inferred Resources from Parks/Salyer, and Inferred Resources for the Stockpile Project.

All data coordinates are presented in NAD83 ft. Zone 12 truncated to the last six whole digits for easting, and five whole digits for northing. All quantities are given in imperial units unless indicated otherwise. All copper values are presented in percent. Cactus mineral resources meeting the cutoff grades for Cactus West and East, Parks/Salyer and the stockpile are combined and reported in the table below.

Project – Total Indicated and Inferred Resources

Material Type	Tons (kt)	CuT (%)	TSol (%)	TSol_lb (klb)
Indicated				
Total Leachable	73,900		0.723	1,065,200
Total Indicated	151,800	0.531		1,610,700
Inferred				
Total Leachable	310,400		0.590	3,663,700
Total Inferred	449,900	0.544		4,894,200

Notes:

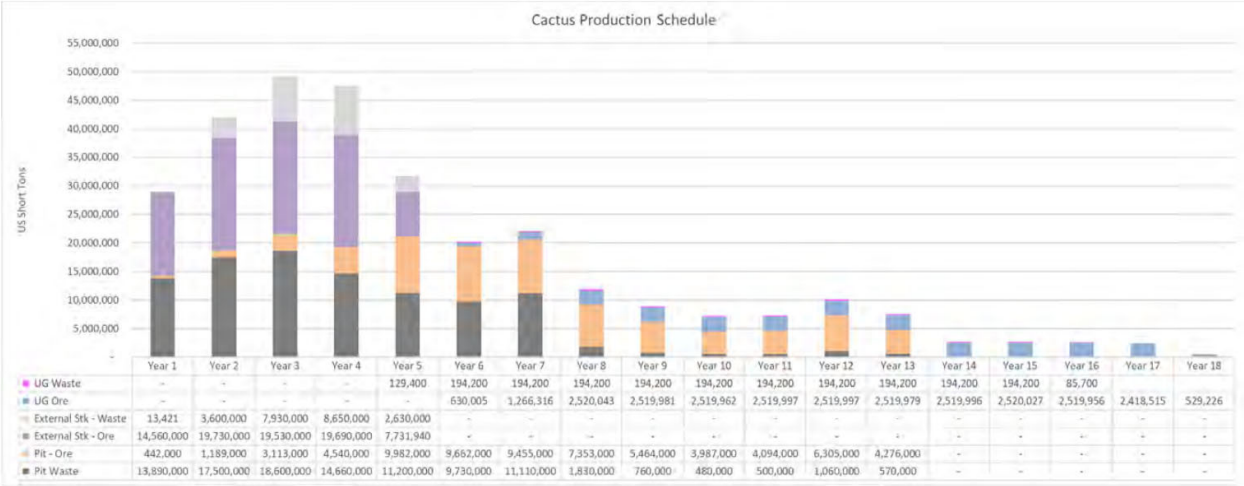
(1) CuT means total copper and TSol means total soluble copper as the addition of sequential acid soluble and sequential cyanide soluble copper assays. Tons are reported as short tons.
(2) Cactus East and West resources have an effective date of March 1, 2021 and the Stockpile Resource have an effective date of April 4, 2021 and use a copper price of US$3.15 per pound. The assumptions in respect of the Cactus and Stockpile Resource estimates are as stated in the 2021 Cactus PEA; Parks/Salyer Resource estimate has an effective date of September 26, 2022 and uses a copper price of US$3.75 per pound.
(3) Technical and economic parameters defining resource pit shell: mining cost US$2.45 per ton; G&A US$0.55 per ton, and 44°-46° pit slope angle
(4) Technical and economic parameters defining underground resource: mining cost US$28.93 per ton, and G&A representing 7% of direct costs.
(5) Technical and economic parameters defining processing: Heap leach (HL) processing cost including selling US$1.77 per ton; HL recovery 83% of CuT; mill processing cost US$8.50 per ton.
(6) For Cactus: Variable cutoff grades were reported depending on material type, potential mining method, and potential processing method. Oxide material within resource pit shell = 0.096% TSol; enriched material within resource pit shell = 0.098% TSol; primary material within resource pit shell = 0.205% CuT; oxide underground material outside resource pit shell = 0.56% TSol; enriched underground material outside resource pit shell = 0.70% TSol; primary underground material outside resource pit shell = 0.70% CuT.
(7) For Parks/Salyer: Variable cut-off grades were reported depending on material type associated potential processing method. Oxide underground material = 0.495% TSol; enriched underground material = 0.60% TSol; primary underground material = 0.586% CuT.
(8) For the stockpile: There is a reasonable probability of eventual economic extraction of this resource using sulfuric acid leaching and SX/EW recover at a TSol cutoff of 0.095%
(9) Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, sociopolitical, marketing, or other relevant factors.
(10) The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there is insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource; it is uncertain if further exploration will result in upgrading them to an indicated or measured classification.
(11) Totals may not add up due to rounding.

Mining Methods

The mineral resource estimate for the Parks/Salyer Project as described in the Technical Report was not included in the 2021 Cactus PEA and it does not have a negative impact on or otherwise adversely affect the mineral resource estimate that formed the basis of the 2021 Cactus PEA. The date of the Cactus Project mineral resource is as of March 1, 2021 and the inputs and assumptions used for economic assessment are valid as of August 31, 2021. The results and conclusions of the 2021 Cactus PEA are still considered current and therefore have been carried over for the Technical Report. Given the foregoing, the information in this section only pertains to the Cactus Project and does not cover the Parks/Salyer Project.

The Cactus Project considers material going to the leach pads originating from three sources: an existing, historical low-grade stockpile (the Stockpile Project) located on the surface, a traditional open pit operation and an underground mine operation. To determine the appropriate mining approach, mine planning exercises were conducted consisting of combinations of processing and mining strategies. For the PEA, the outcome was to adopt a layered approach that considered initial Stockpile Project mining concurrent with Cactus West open pit stripping and early production for Years 1-4, before Cactus West achieves steady state production by Year 5. The open pit and Stockpile Project will be a truck and loader / shovel mining method. Once the pit reaches a suitable depth, development and early production of Cactus East via a Transverse Longhole Stoping ("**TLS**") method will commence in Year 6 and achieve steady state production by Year 8.

Complete extraction of the mineable resource is expected to take 17 years. The production profile for the life of mine is provided in the following table.



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
UG Waste	-	-	-	-	129,400	194,200	194,200	194,200	194,200	194,200	194,200	194,200	194,200	194,200	194,200	85,700		
UG Ore	-	-	-	-	-	630,005	1,266,316	2,520,043	2,519,981	2,519,962	2,519,997	2,519,997	2,519,979	2,519,996	2,520,027	2,519,956	2,418,515	529,226
External Stk - Waste	13,421	3,600,000	7,930,000	8,650,000	2,630,000	-	-	-	-	-	-	-	-	-	-	-	-	-
External Stk - Ore	14,560,000	19,730,000	19,530,000	19,690,000	7,731,940	-	-	-	-	-	-	-	-	-	-	-	-	-
Pit - Ore	442,000	1,189,000	3,113,000	4,540,000	9,982,000	9,662,000	9,455,000	7,353,000	5,464,000	3,987,000	4,094,000	6,305,000	4,276,000	-	-	-	-	-
Pit Waste	13,890,000	17,500,000	18,600,000	14,660,000	11,200,000	9,730,000	11,110,000	1,830,000	760,000	480,000	500,000	1,060,000	570,000	-	-	-	-	-

Stockpile Project and Open Pit

Since the open pit operation has a limited life, it is envisioned that the operation will be operated with a contract mining fleet. This will increase the unit operating cost to some extent but will reduce mining capital requirements significantly.

The open pit expansions will provide a total of approximately 71.8 million tons of mineralized material and 101.9 million tons of waste. Based on the planned production rate, the primary equipment fleet will consist of a fleet of rigid dump trucks in the 100-150 short ton range. Loading equipment will consist of at least two digging units in the mine, assisted by a wheel loader. The sizing of these machines will be determined by the specifications of the haul truck fleet, as well as the actual rock conditions. The primary fleet will be complemented by a fleet of ancillary machines consisting of at least two track dozers, one road grader, one wheel dozer, one water truck and drill and blast equipment.

Underground

The remaining resource available in Cactus East was evaluated as an underground mine. The underground mining method used for this evaluation was a TLS mining method. The top of the underground deposit, Cactus East, is roughly 800 ft (244 m) below the surface and extends an additional 1,000 ft (305 m) vertically. The deposit averages 800 ft (244 m) in thickness, from hanging wall to footwall. The mine plan is expected to ramp up to an initial production rate of 3,500 tpd and reach a daily production of 7,000 tpd for several years before end of mine life. To achieve this production rate, the deposit will be split into two mining horizons. Given the size of the deposit, both laterally and vertically, each mining horizon will be capable of extraction of 3,500 tpd.

Processing and Recovery Operations

The mineral resource estimate for the Parks/Salyer Project as described in the Technical Report was not included in the 2021 Cactus PEA and it does not have a negative impact on or otherwise adversely affect the mineral resource estimate that formed the basis of the 2021 Cactus PEA. The date of the Cactus Project mineral resource is as of March 1, 2021 and the inputs and assumptions used for economic assessment are valid as of August 31, 2021. The results and conclusions of the 2021 Cactus PEA are still considered current and therefore have been carried over for the Technical Report. Given the foregoing, the information in this section only pertains to the Cactus Project and does not cover the Parks/Salyer Project.

A hydrometallurgical approach via a potential copper heap leaching and SX/EW processing facility at Cactus has been contemplated to process existing Stockpile Project oxidized copper resources and Cactus Project oxide and enriched sulfides (chalcocite/covellite dominant) material identified in the mineralized Cactus East and Cactus West extensions.

The integrated project has been designed to accommodate a 30,000 tpd permanent acid oxide heap leach and permanent acid enriched heap leach. Material will be "as mined" from the new mining operations with no additional crushing or handling and stacked with mine trucks using an end dumping methodology. The following table shows the processing by source and material type.

Processing by Material Type

Mining Source	Material Type	Leach Material (Kt)
Oxide	Stockpile Project	81,200
Oxide	Cactus West	46,800
	Cactus East	6,300
Enriched	Cactus West	23,100
	Cactus East	21,200
Total		**178,600**

The following table shows the recovery and acid consumption estimates achieved by bottle roll and column testwork by material type used for the Technical Report.

Average Metallurgical Performance Criteria

Resource Component	Source Information	Net Copper Recovery (% - CuAS)	Net Copper Recovery (%- CuCN)	Gross Acid Consumption (lb/ton)	Net Acid Consumption (lb/ton)
Stockpile					
Oxide	Preliminary Column Tests	90%	40%	22	18
Open Pit & Underground					
Oxide	Preliminary Column Tests	90%	72%	22	18
Enriched	Preliminary Column Tests	90%	72%	22	1

Project Infrastructure

The mineral resource estimate for the Parks/Salyer Project as described in the Technical Report was not included in the 2021 Cactus PEA and it does not have a negative impact on or otherwise adversely affect the mineral resource estimate that formed the basis of the 2021 Cactus PEA. The date of the Cactus Project mineral resource is as of March 1, 2021 and the inputs and assumptions used for economic assessment are valid as of August 31, 2021. The results and conclusions of the 2021 Cactus PEA are still considered current and therefore have been carried over for the Technical Report. Given the foregoing, the information in this section only pertains to the Cactus Project and does not cover the Parks/Salyer Project.

Mining and Maintenance

The mining operations are anticipated to be contracted to a local company experienced in larger scale earthmoving. Given the proximity to major infrastructure in Casa Grande, the contractor may bring temporary facilities onto the site to facilitate their operations and maintenance activities self-sufficiently on the project site. A specific contractor plan has not been developed. This will be similar to the facilities set up on-site as part of the recent reclamation effort.

Waste material will either be set aside in the Stockpile Project as the material is mined or taken to existing nearby waste dumps on site. Although a detailed mine plan and sequence has not yet been developed, it is expected that most of the waste material will remain in the current Stockpile Project area.

Leach Pad / Ponds Preliminary Location / Conceptual Design

The oxide leach pad will be constructed in two phases. The footprint of the initial leach pad area is about 4,000 ft (1,219.2 m) × 2,250 ft (685.8 m) = 9.0 million ft2 (0.84 km^2) total and will support approximately 57 million tons leach material. The Phase 1 pad would be roughly 42% of the total 135.5 million tons of oxide material to be mined. The initial build out (Phase 1a) would be roughly 45% of the Phase 1 total with the remaining 55% to be completed in Year 3 of plant operations. The capital cost estimate includes only Phase 1a of the leach pad with a base footprint of roughly 2,100 ft (640 m) × 2,250 ft (685.8 m) or 4.8 million ft2 (0.45 km^2), which will support approximately 25 million tons. The final build (Phase 1b) out would occur in Year 3 of the operations.

Leach pad and pond design will be compliant with ADEQ Best Available Demonstrated Current Technology applicable guidelines and prescriptive requirements. The leach is assumed to be a double-lined system consisting of a 60-mil non-textured high density polyethylene ("**HDPE**") liner with a compacted soil secondary liner. Process solution ponds are assumed to be constructed with a triple-lined system consisting of two 60-mil nontextured HDPE liners with a compacted soil tertiary liner and integrated leak detection between the HDPE liners.

The remaining life-of-mine material will be placed on a second oxide pad area west of the existing tailings facility initially constructed in Year 4 (44.8 million tons, 9.3 million ft^2 [0.86 km^2]), with incremental additions in Year 7 (20.1 million tons, 5.2 million ft^2 [0.48 km^2]) and Year 10 (12.3 million tons, 1.3 million ft^2 [0.12 km^2]) of the mine life. The first phase of the enriched material leach pad will be constructed in the area made available by mining of the north end of the Stockpile Project area. In Year 2-3 of the operations. The footprint of the initial enriched leach pad area is about 2,200 ft (685.8 m) × 1,000 ft (304.8 m) = 2.2 million ft^2 (204 thousand m^2) total and will support approximately 5.3 million tons leach material. The initial build out (Phase 1) would be roughly 12% of the total 44.3 million tons of enriched material to be mined. In addition to the first phase of the oxide leach pad, three ponds need to be constructed to initiate operations: the SX raffinate pond (270 ft [82.3 m] × 190 ft [57.9 m]), the PLS pond (270 ft [82.3 m] × 190 ft [57.9 m]), and an event pond (600 ft [182.9 m] × 320 ft [97.5 m]). The three ponds will be situated below the leach pad and leach solution will flow by gravity downhill via collection ditches that will discharge into the lined storage ponds.

In addition to the first phase of the enriched leach pad, two ponds need to be constructed to initiate operations: the PLS pond (300 ft [91.4 m] × 190 ft [57.9 m]) and a 100 year event pond (440 ft [134.1 m] × 290 ft [88.4 m]). The two ponds will be situated below the leach pad and leach solution will flow by gravity downhill via collection ditches that will discharge into the lined storage ponds.

An allowance is included for installation of monitoring wells

Site Buildings / Maintenance Shops / Administration Buildings

Given the proximity to the city of Casa Grande, limited non-process facilities are required. The Cactus Project will require minimal buildings and shops in light of the existing infrastructure, contract mining and minimal site-based staffing needed.

The SX/EW plant site offices, control room and security will be housed in a single prefabricated building located on-site near the main gate and process plant facilities. A 200 ft (61.0 m) × 400 ft (121.9 m) building is included for these purposes.

The EW process office and process control room will be located in a prefabricated building with space allowed for minor maintenance activities and materials storage, including a small wet laboratory for process control assays and mine grade control Stockpile Project sample assays. Additional storage of materials will be provided within the fenced area near the plant and in shipping containers repurposed from the delivery of materials and equipment to site. The

abandoned TruStone facility may also be considered in the future for additional maintenance, warehousing and other uses.

ASCU maintains a corporate office in Tempe, Arizona for administrative staff not required to be regularly on site.

Mine support infrastructure has been assumed to be provided by the selected contract mining company as required, and locations have been identified for those potential facilities within the property boundaries.

Process Buildings

A new SX/EW facility will be constructed inside the fenced area of an abandoned process building known as the TruStone facility. The area has been cleared and graded, and was previously used for parking or laydown.

The EW operation will be housed in a pre-engineered building fitted with an overhead crane for copper production material handling. Siding will be fiberglass, PVC-coated fabric or protected steel. An administration / control building located near the site entrance will consist of a new prefabricated double-wide structure. The facilities will also include a tank farm area composed of electrolyte solution tanks, electrolyte filters, crud handling system and a solution management holding tank.

There are existing access roads to the facilities along with a rail spur that dead-ends in front of the plant across the access road, although it is not currently connected to the main line. There are no current plans to reconnect or use the rail line.

An incoming utility powerline is connected to an existing substation owned by Arizona Power System that was originally used to power the TruStone facility. This substation will be used to power the new SX/EW facility and other project loads. No work is currently planned on the electrical system upstream of the low-side connection to the main transformer.

Other Facilities Considerations

The maximum height of all site facilities was considered due to the site's proximity to the existing Casa Grande Municipal Airport that is owned and operated by the City of Casa Grande. A draft airport master plan currently includes proposals for a 4,750-foot (1,447.8 m) southwesterly extension of the existing runway for a total ultimate runway length of 8,400 ft (2,560 m). The plan also considered construction of new exit taxiways and a new 3,650-foot (1,112.5 m) parallel runway located north and west of the existing runway.

Federal Aviation Administration ("**FAA**") requirements are outlined in the Federal Aviation Act of 1958, as amended and pursuant to 49 U.S.C. Section 46301(a).

Acid Supply and Storage (Truck or Rail)

Acid will be provided by a local broker, delivered to site in bulk 3,300 gallon (25 ton) acid truck / trailers. Tanker trucks will be off-loaded to a mild steel site storage tank located in the SX/EW tank farm area with a nominal capacity of 60,000 gallons (two days nominal usage). Approximately eight to nine trucks will be received and off-loaded per day.

Consideration will be given in the future to refurbishing the existing rail spur connecting the site with the Union Pacific Railroad Line approximately 3.7 mi south of the site and delivery by 100 ton railway cars.

Water Supply and Distribution

ASCU, as part of the sale of the property, acquired the historic Type 2 Non-Irrigation grandfather rights (Certificate 58-100706.0005) for 136 acre-foot per year ("**afy**"). In addition to the grandfathered rights, ASCU has obtained a permit from the Arizona Department of Water Resources ("**ADWR**") (Permit 59-233782.0000) for an additional 3,600 afy under a Permit to Withdraw Groundwater for Mineral Extraction and Metallurgical Processing within an Active

Management Area (A.R.S. § 45-514). The secured water rights have a permit life of 50 years and will serve as water supply requirements for the life of the Cactus Project.

Water will be sourced from two offsite wells, No. 1 and No. 2, and two onsite wells, No. 5 and No. 6. Process makeup water can also be sourced from open pit dewatering and the existing flooded production shaft constructed and abandoned by ASARCO. Potable water is available on the project site via buried pipeline (servicing the prior TruStone and ASARCO facilities) for the minor potable usage requirements.

If needed, additional requirements can be met by purchasing water from the Gila River Water Storage, LLC resources in the Pinal Active Management Area ("**AMA**"), or through mine dewatering credits as the Cactus Project is developed in the future. The Pinal AMA covers approximately 4,000 square mi in central Arizona and consists of five sub-basins with unique groundwater underflow, storage and surface water characteristics. These sub-basins are Maricopa-Stanfield, Eloy, Vekol Valley, Santa Rosa Valley and Aguirre Valley. New on-site metering, storage and distribution systems will be required for the Cactus Project for use of these resources.

Power Supply and Distribution

Approximately 11 MW of power will be required for the initial Cactus Project site process facilities, and 14.3 MW will be required for the expanded facilities. Power is available to an existing 115 kV substation at site. Arizona Public Service ("**APS**") will provide power via existing 115 kV power transmission lines owned by APS which run from its Casa Grande substation to the existing substation on the site located about 400 ft (121.9 m) west from the planned processing plant location.

The site substation has not been evaluated but it is operational and serviced the prior ASARCO mine operations and more recently the TruStone production facility (now closed) next to the proposed SX/EW plant location. Expected average annual power costs are US$0.058/kWh (including demand charges) based on preliminary discussion with APS and a new customer services rate for a Small General Service Plan (non-residential).

Environmental Studies, Permitting and Social or Community Impact

The mineral resource estimate for the Parks/Salyer Project as described in the Technical Report was not included in the 2021 Cactus PEA and it does not have a negative impact on or otherwise adversely affect the mineral resource estimate that formed the basis of the 2021 Cactus PEA. The date of the Cactus Project mineral resource is as of March 1, 2021 and the inputs and assumptions used for economic assessment are valid as of August 31, 2021. The results and conclusions of the 2021 Cactus PEA are still considered current and therefore have been carried over for the Technical Report. Given the foregoing, the information in this section only pertains to the Cactus Project and does not cover the Parks/Salyer Project.

Environmental Studies

Several documents were reviewed to provide an indication of the existing environmental conditions at the Project. Review of historical water quality data collected from 1972 through the present identified sulfates, nitrates and fluoride exceedances over Arizona drinking water standards at various locations throughout the site.

No environmental fatal flaws that would materially impede the advancement of the project have been identified. Prior due diligence research through the State of Arizona has indicated that the soil and groundwater at the site is highly mineralized and contaminated with heavy constituents such as arsenic, chromium, selenium and zinc, and therefore is unfit for domestic, livestock or agricultural use. These constituents were not the result of any mining activity in the area, but are related to the younger geologic activity in the region. The open pit from ASARCO's mining contains water with high mineralization and a very low pH.

Permitting

The Cactus Project consists mostly of private surface and mineral rights, with the exception of 2 Arizona State Land Department Leases (ASLD) (parcel number: 502-25-7020 Prospecting Permit # 008-122116-00 and parcel number:

503-26-7000 Prospecting Permit # 008-121173-00-100). Permitting for an operation on private land will require the following major permits and certifications, already issued or in progress:

- Dust Permit Pinal Air Quality Control Permit (permit obtained).

- Arizona Pollutant Discharge Elimination System ("**AZPDES**") permits (construction and Multi-Sector General Permit) (permit obtained for both the mine facility and the TruStone facility). In Q2 of 2022 a new AZPDES was granted, this permit eliminated the TruStone Facility and incorporated that area into the new mine permit. LTF No. 95924 ID No. AZMS95924.

- ADWR Permit to Withdraw Groundwater for Mineral Extraction and Metallurgical Processing Permit No. 59-233782.0000. This permit allows ASCU the rights to 3,600 afy for 50 years for heap leach mining activities, dust control and processing at the Cactus Project site. The effective date of the permit is April 14, 2021, and the expiration date is April 14, 2070.

- ADEQ Aquifer Protection Permit ("**APP**") and Amended APP: Both APP applications have been accepted pending bond submittal.

- US Army Corp of Engineers ("**USACE**") Approved Jurisdictional Determination ("**AJD**") 404: On 11 February 2022 USACE issued the signed AJD for the site.

- Pinal Air Quality Control Industrial Permit (applied for in October 2022)

- Arizona State Mine Inspector Mined Lands Reclamation Permit (applied for in October 2022).

- An estimate of US$1.5 million will be required for the initial reclamation bond based on the initial construction plan and prior estimates for site closure for the Stockpile Project. An additional US$3.5 million is estimated to be required to close the planned facilities and bonding will be adjusted as new facilities are added, particularly the Phase 2 leach pad. Closure funding is expected to be supplemented by resale of the modular SX/EW plant and other infrastructure and equipment, with an estimated salvage value of US$5 million.

- Special Land Use Permit for use of State Surface to construct facilities for the mining operation: Application Number: 023-123266-03-100 (Approved Contract signed and sent back to Arizona State Lands Department) Permit Number: 23-123266-03.

Further permitting will be required, as well as modification of existing permits to account for the final operational and mine plan to be adopted and to reflect processing and other facilities.

Social or Community Impact

In keeping with ASCU's community engagement and partnership standards, the Project will be developed with a plan to establish and maintain the support of our host communities. ASCU has commenced early-stage community outreach and is currently evaluating partnerships within the community. As the Project's permits will involve a public process and are based on the permit submission and review schedule, ASCU plans to elevate outreach during the permitting process and throughout the life of the mine.

Capital and Operating Costs

The mineral resource estimate for the Parks/Salyer Project as described in the Technical Report was not included in the 2021 Cactus PEA and it does not have a negative impact on or otherwise adversely affect the mineral resource estimate that formed the basis of the 2021 Cactus PEA. The date of the Cactus Project mineral resource is as at March 1, 2021 and the inputs and assumptions used for economic assessment are valid as of August 31, 2021. The results and conclusions of the 2021 Cactus PEA are still considered current and therefore have been carried over for the

Technical Report. Given the foregoing, the information in this section only pertains to the Cactus Project and does not cover the Parks/Salyer Project.

CAPEX

The estimated initial preproduction capital cost for the Cactus Project is US$127 million.

Initial Capital Cost Estimate

Capital Costs			-2	-1	0	1
Project Infrastructure	US$	-				
Leachpad Infrastructure	US$	(24,500,000)			(20,000,000)	(4,500,000)
SX-EW Facilities	US$	(74,000,000)			(50,000,000)	(24,000,000)
Flotation Processing Facilities	US$	-				
Tailings Facilities	US$	-				
Capitalised Drilling – Cactus Orebodies	US$	(7,833,238)	(5,013,878)	(2,819,359)		
Capitalised Drilling – Stockpile	US$	-				
Technical Studies	US$	(4,100,543)	(2,696,543)	(1,404,000)		
Project/Other Costs	US$	(2,582,841)	(1,003,000)	(1,579,841)		
OP- Capitalised Stripping	US$	(47,085,000)				(20,835,000)
UG-Capitalised Development	US$	(29,124,000)				-
Mobile Mine Equipment (OP_UG)	US$	-				
Mine Equipment (OP_UG)	US$	-				
Sustaining Capital – Leachpad Facilities	US$	(74,600,000)				
Sustaining Capital – SX-EW Facilities	US$	(26,000,000)				
Sustaining Capital – Open Pit	US$	(130,979,500)				-
Sustaining Capital – UG	US$	(108,752,000)				-
Exploration	US$	-				
Land Acquisitions	US$	(27,475,000)	(7,000,000)	(7,525,000)	(7,950,000)	
TAGC Founders Fee	US$	(1,100,000)			(300,000)	(500,000)
Cash Reclamation	US$	(5,000,000)				
Salvage Value	US$	5,000,000				
Total CAPEX	**US$**	**(558,132,122)**	**(15,713,421)**	**(13,328,201)**	**(78,250,000)**	**(49,835,000)**

The capital cost estimate was put together by Stantec, Samuel Engineering and ASCU based on industry benchmarking, historical information recovered for the site, 2020 project resource drilling and analysis, preliminary metallurgical bottle roll and column testing of fresh mineralized material and Stockpile Project samples, preliminary flowsheets, and conceptual heap leach and SX/EW processing facilities.

The costs reflect the construction capital expenditures required to bring the Cactus Project into production and includes US$23 million in respect of binding obligations entered into by ASCU to make payments for land acquisitions in relation to the Cactus Project. Another US$99 million is allocated for initial SX/EW and leach pad facilities. The construction cost does not include the cost of open pit stripping for the first year (US$21 million) or pre-feasibility and feasibility stage work (totaling US$16 million as of the start of July 2021).

A contingency of 15% has been included in the capital cost for ancillary mine equipment, leach pad infrastructure and the SX/EW facility. Contingency is an allowance to cover unforeseeable costs that may arise during the project execution, which reside within the scope-of-work but cannot be explicitly defined or described at the time of the

estimate due to lack of information. It is assumed that contingency will be spent; however, it does not cover scope changes or Cactus Project exclusions.

Preliminary Project Execution and Schedule

Project execution will follow a typical EPCM approach. The execution timeframe considered is approximately 16 months from notice to proceed through commissioning completion. The Cactus Project ramp-up will be commensurate with heap leaching pad development. A preliminary development schedule is included under Section 21.2 of the Technical Report.

Permitting and long lead order timelines are the highest risks to the proposed schedule development plan. Equipment delivery times, particularly the rectifier-transformer units, is expected to be over 6-8 months based on Metalex's budget estimate. Equipment delivery will drive the timeline for completion of the Cactus Project.

OPEX

The operating costs for the Cactus Project were developed based on a combination of benchmarks, direct build-up from metallurgical parameters, typical unit consumption and costs for similar operations and factoring.

For the SX/EW plant and based on an initial plant size of 22,000 ton annual copper production, the direct operating costs are expected to average US$0.59 per pound of copper cathode produced through the first six years of production, as presented in the table below.

Average Yr 1-6 Cactus Mine Operating Costs - 23.2 ktpy Cu & Combined Tons										
	Units	Unit Consmptn	Consumption Rate		Unit Price		Annual Cost	$/ton Processed	$/lb Copper
Power	**kWh/lb**	**1.60**	**8485**	**kWh**	**$ 0.058**	**$/kWh**	**$ 4,278,900**	**$ 0.24**	**$ 0.09**
EW	kWh/lb	1.00	5303	kWh	$ 0.058		$ 2,674,312	$ 0.15	$ 0.06
SX/TF	kWh/lb	0.45	2387	kWh	$ 0.058		$ 1,203,441	$ 0.07	$ 0.03
Utilities/Misc.	kWh/lb	0.15	796	kWh	$ 0.058		$ 401,147	$ 0.02	$ 0.01
SX/Reagents							**$ 1,953,259**	**$ 0.11**	**$ 0.04**
Extractant	kg/kg Cu	0.005	289	kg/d	$ 9.95	$/kg	$ 1,048,399	$ 0.06	$ 0.02
Acid			2	tons/d	$ 120.00	$/ton	$ 87,600	$ 0.00	$ 0.00
EW Reagents (Cobalt, Guar, FC1100)			$ 0.015	$/lb Cu			$ 660,000	$ 0.04	$ 0.01
Diluent					15%	% of Ext $	$ 157,260	$ 0.01	$ 0.00
MTCE/Misc.					**$ 0.05**	**$/lb Cu**	**$ 2,200,000**	**$ 0.12**	**$ 0.05**
Direct Labor		**49**	**staff**				**$ 3,536,000**	**$ 0.20**	**$ 0.08**
	Gen Frmn	1			$ 120,000	$/yr	$ 120,000	$ 0.01	$ 0.00
	Metallurgist	1			$ 100,000	$/yr	$ 100,000	$ 0.01	$ 0.00
	Ops Frmn	4			$ 95,000	$/yr	$ 380,000	$ 0.02	$ 0.01
	Mntce Frmn	4			$ 95,000	$/yr	$ 380,000	$ 0.02	$ 0.01
	Shift Operator	12			$ 70,000	$/yr	$ 840,000	$ 0.05	$ 0.02
	EW Crew	4			$ 70,000	$/yr	$ 280,000	$ 0.02	$ 0.01
	Laboratory	6			$ 50,000	$/yr	$ 300,000	$ 0.02	$ 0.01
	Mech/Pipe	4			$ 83,000	$/yr	$ 332,000	$ 0.02	$ 0.01
	Elect	2			$ 83,000	$/yr	$ 166,000	$ 0.01	$ 0.00
	Tech/Instr.	3			$ 86,000	$/yr	$ 258,000	$ 0.01	$ 0.01
	Labor	4			$ 50,000	$/yr	$ 200,000	$ 0.01	$ 0.00
	Security	4			$ 45,000	$/yr	$ 180,000	$ 0.01	$ 0.00
SXEW TOTAL							**$ 11,968,159**	**$ 0.67**	**$ 0.26**
Acid (Net)	**lbs/ton ore**	**13.4**	**298**	**tons/d**	**$ 120.00**	**$/t**	**$ 13,067,875**	**$ 0.73**	**$ 0.28**
Oxide Ore	lbs/ton ore	14.5							
Enriched Ore	lbs/ton ore	1.0							
MTCE/Misc.					**$ 0.025**	**$/t**	**$ 444,650**	**$ 0.03**	**$ 0.01**
Power	**100**	**kW**	**2400**	**kWh**	**$ 0.058**	**$/kWh**	**$ 1,210,227**	**$ 0.07**	**$ 0.03**
Water (all Areas)			**1,534**	**ac-ft/y**	**$ 10.00**	**$/a-ft**	**$ 15,340**	**$ 0.00**	**$ 0.00**
Labor		**11**	**staff**				**$ 640,000**	**$ 0.04**	**$ 0.01**
	Leach Frmn	1			$ 100,000	$/yr	$ 100,000	$ 0.01	$ 0.00
	Eq. Operator	2			$ 70,000	$/yr	$ 140,000	$ 0.01	$ 0.00
	Leach Labor	8			$ 50,000	$/yr	$ 400,000	$ 0.02	$ 0.01
LEACHING TOTAL							**$ 15,378,092**	**$ 0.86**	**$ 0.33**
Direct OPEX		**60**	**staff**				**$ 27,346,251**	**$ 1.54**	**$ 0.59**

No contingency has been included in the operating costs presented. Taxes are considered in the financial analysis model.

With a plant expansion reflecting 35,000 tons of annual copper production, the direct operating costs are expected to average US$0.26 per pound of copper cathode produced, as outlined in the table below.

Average Yr 7-17 Cactus Mine Operating Costs - 32.5 ktpy Cu & Combined Tons									
	Units	Unit Consmptn	Consumption Rate		Unit Price		Annual Cost	$/ton Processed	$/lb Copper
Power	kWh/lb	1.60	11875	kWh	$ 0.058	$/kWh	$ 5,987,955	$ 0.98	$ 0.09
EW	kWh/lb	1.00	7422	kWh	$ 0.058		$ 3,742,472	$ 0.61	$ 0.06
SX/TF	kWh/lb	0.45	3340	kWh	$ 0.058		$ 1,684,112	$ 0.28	$ 0.03
Utilities/Misc.	kWh/lb	0.15	1113	kWh	$ 0.058		$ 561,371	$ 0.09	$ 0.01
SX/Reagents							**$ 2,434,817**	**$ 0.40**	**$ 0.04**
Extractant	kg/kg Cu	0.005	404	kg/d	$ 9.95	$/kg	$ 1,467,145	$ 0.24	$ 0.02
Acid			2	tons/d	$ 120.00	$/ton	$ 87,600	$ 0.01	$ 0.00
EW Reagents (Cobalt, Guar, FC1100)			$ 0.015	$/lb Cu			$ 660,000	$ 0.11	$ 0.01
Diluent					15%	% of Ext $	$ 220,072	$ 0.04	$ 0.00
MTCE/Misc.					**$ 0.05**	**$/lb Cu**	**$ 2,200,000**	**$ 0.36**	**$ 0.03**
Direct Labor		**52**	staff				**$ 3,739,000**	**$ 0.61**	**$ 0.06**
	Gen Frmn	1			$ 120,000	$/yr	$ 120,000	$ 0.02	$ 0.00
	Metallurgist	1			$ 100,000	$/yr	$ 100,000	$ 0.02	$ 0.00
	Ops Frmn	4			$ 95,000	$/yr	$ 380,000	$ 0.06	$ 0.01
	Mntce Frmn	4			$ 95,000	$/yr	$ 380,000	$ 0.06	$ 0.01
	Shift Operator	12			$ 70,000	$/yr	$ 840,000	$ 0.14	$ 0.01
	EW Crew	5			$ 70,000	$/yr	$ 350,000	$ 0.06	$ 0.01
	Laboratory	6			$ 50,000	$/yr	$ 300,000	$ 0.05	$ 0.00
	Mech/Pipe	4			$ 83,000	$/yr	$ 332,000	$ 0.05	$ 0.01
	Elect	3			$ 83,000	$/yr	$ 249,000	$ 0.04	$ 0.00
	Tech/Instr.	3			$ 86,000	$/yr	$ 258,000	$ 0.04	$ 0.00
	Labor	5			$ 50,000	$/yr	$ 250,000	$ 0.04	$ 0.00
	Security	4			$ 45,000	$/yr	$ 180,000	$ 0.03	$ 0.00
SXEW TOTAL							$ 14,361,771	$ 2.35	$ 0.22
Acid (Net)	**lbs/ton ore**	**3.4**	**14**	**tons/d**	**$ 120.00**	**$/t**	**$ 602,684**	**$ 0.10**	**$ 0.01**
Oxide Ore	lbs/ton ore	6.0							
Enriched Ore	lbs/ton ore	1.0							
MTCE/Misc.					**$ 0.025**	**$/t**	**$ 152,950**	**$ 0.03**	**$ 0.00**
Power	**100**	**kW**	**2400**	**kWh**	**$ 0.058**	**$/kWh**	**$ 1,210,227**	**$ 0.20**	**$ 0.02**
Water (all Areas)			**1,061**	**ac-ft/y**	**$ 10.00**	**$/a-ft**	**10,610**	**$ 0.00**	**$ 0.00**
Labor		**11**	staff				**$ 640,000**	**$ 0.10**	**$ 0.01**
	Leach Frmn	1			$ 100,000	$/yr	$ 100,000	$ 0.02	$ 0.00
	Eq. Operator	2			$ 70,000	$/yr	$ 140,000	$ 0.02	$ 0.00
	Leach Labor	8			$ 50,000	$/yr	$ 400,000	$ 0.07	$ 0.01
								$ -	
LEACHING TOTAL							$ 2,616,471	$ 0.43	$ 0.04
								0	0
Direct OPEX		63	staff				$ 16,978,243	$ 2.78	$ 0.26

A total of 49 direct operating staff and 11 attributed general and administrative ("**G&A**") staff is initially anticipated for the operations running 24 hours per day, seven days per week and 365 days per year. Labor costs include a 30% benefits consideration.

Power has been considered from Arizona Public Service Company at a fully built-up rate of US$0.058/kWh.

Water will be sourced from four wells, two off-site, and two on-site to fulfill anticipated yearly consumption of 1,061 acre-ft. ASCU has secured water rights totaling 3,736 afy via a historic Grandfathered Water Rights Type 2 Non-Irrigation grandfather rights (Certificate 58-100706.0005) for 136 afy and a Mineral Extraction and Process Permit No. 59-233782.000 from the ADWR for 3,600 afy. This right is for 50 years.

Contract mining costs for the Stockpile Project, open pit, and underground were derived from either benchmarking and/or zero-based principles using cost inputs from the local area including operating and maintenance labor rates and diesel price. Consumables such as tire and ground engaging tools are included in maintenance costs and are calculated as cost per hour. Productivities of the mining equipment are based on OEM performance curves and the fleet has been

matched to average production rates and corresponding haulage. A 20% contractor premium has been applied to all costs.

For the life of the project, surface material movements average US$2.09/ton and include mineralized material and waste movements of the Stockpile Project, open pit, and underground. The underground unit mining rate of US$28.93/ton is separate and reflects a benchmark cost of mining TLS.

Economic Analysis

The mineral resource estimate for the Parks/Salyer Project as described in the Technical Report was not included in the 2021 Cactus PEA and it does not have a negative impact on or otherwise adversely affect the mineral resource estimate that formed the basis of the 2021 Cactus PEA. The date of the Cactus Project mineral resource is as at March 1, 2021 and the inputs and assumptions used for economic assessment are valid as of August 31, 2021. The results and conclusions of the 2021 Cactus PEA are still considered current and therefore have been carried over for the Technical Report. Given the foregoing, the information in this section only pertains to the Cactus Project and does not cover the Parks/Salyer Project.

Methodology and Financial Parameters

A discounted cash flow analysis of the Cactus Project was prepared using technical and cost inputs developed by Stantec, Samuel Engineering, and ASCU. These inputs have been reviewed in detail by Stantec and are accepted as reasonable.

The discounted cash flow analysis was performed on a stand-alone project basis with annual cash flows discounted on an end-of-year basis. The economic evaluation used a real discount rate of 8% and was performed as of July 2021 using average second quarter 2021 U.S. dollars. While all costs prior to the start of construction are considered as "sunk costs", these are still included in the economic analysis for the purpose of a project valuation. The economic analysis is a direct result of those costs as well as the capital cost estimate and is therefore considered to have the same level of accuracy minus 20% to plus 35%.

Financial Model Parameters – Model Inputs

Area	Description	Units	Values
	Construction period	Years	1.3
	Mine life (after preproduction)	years	18
	Avg. annual production rate copper	t × 1,000	28,216
Metal pricing	Copper price	US$/lb	3.35
	Estimate basis	US$	Second Quarter 2021
Cost criteria	Inflation/currency fluctuation		None
	Leverage	% equity	100
	United States Corporate Income	% profit	21
Income tax	Arizona Corporate Income	% profit	6.9
	Arizona Mining Severance	% profit	2.5
Royalties / payments	None	n/a	3.18%
Transportation, smelting, and refining charges	Shipping, handling and fees	US$/lb Copper	0.04

Details of the assumptions and the outcome of the analysis are provided in the below table.

Financial Assumptions and Results

Assumption/Outcome	Value/Results
Copper Price	US$3.35/lb
Total Mineralized Material Mined	179 million tons
Annual Average Processing Rate Over Life-of-Mine ("**LOM**")	10 million tons per annum
Average Recovery Rates Over LOM	Stockpile Project: CuAS: 90%, CuCN: 40% Open Pit / Underground: CuAS: 90%, CuCN: 72%
Average Production Over LOM	28 ktpa
Operating Costs (per ton processed)	US$9.06/ton
Average LOM Cash Cost (C1) and All-In Sustaining Cost (C1 Cost + Sustaining CAPEX)	C1: US$1.55/lb; AISC: US$1.88/lb
Sustaining CAPEX Over LOM (open pit and underground, SX/EW and leach pad expansions)	US$340 million
LOM Free Cash Flow (post-tax undiscounted)	US$960 million
Post-Tax NPV (8%)	US$312 million
Post-Tax IRR	33%

Economic Analysis

The Cactus Project's after-tax economic results for the PEA evaluation are summarized in the table below and show an-tax (NPV) of US$312 million at an 8% discount rate, an IRR after-tax of 33%. The table presents the cashflow on an annualized basis.

Financial Results	Units	Value
Cumulative Cashflow (LOM)	US$ million	960.0
Net Present Value (4%)	US$ million	540.0
Net Present Value (8%)	US$ million	312.0
Net Present Value (10%)	US$ million	238.0
Internal Rate of Return (IRR after-tax)	%	33.0
Payback	Years	3.5
Initial Capital Construction Costs	US$ million	124.0

Detailed cash flow table for the Cactus Project can be found under section 22.4.1 in the Technical Report.

The Cactus Project PEA highlights include the following:

- Life of Mine ("**LOM**") average annual payable production of 28 ktpa LME Grade A copper cathode.
- An 18 year mine life based on the current mine plan comprising leachable mineralized material only.
- Initial processing capacity of 22 ktpa of copper with ramp up to 35 ktpa of copper by Year 7 of operations resulting in low initial construction CAPEX of US$124 million.
- Low OPEX driven open pit mining in the initial phase from start of first production until commencement of underground mining anticipated in six years from first production.

- Average LOM cash cost (C1) of US$1.55 per pound of copper produced. Cash cost includes all direct and indirect costs associated with the physical activities that generate concentrate products for sale to customers, including mining, processing, direct G&A costs and royalties.

- Average LOM all-in sustaining costs of US$1.88 per pound of copper produced. All-in sustaining cost includes cash cost and sustaining CAPEX.

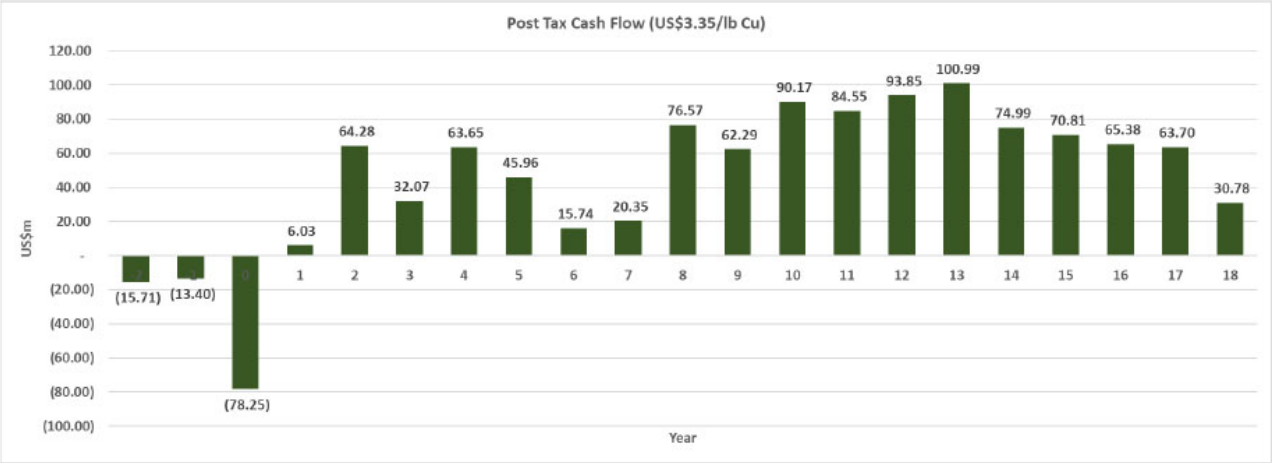
- Average LOM total costs of US$2.06 per pound of copper produced. Total cost includes all costs associated with the project each year, including all initial and expansion CAPEX.

- After-tax, a project net present value ("**NPV**") of US$312 million at an 8% discount rate and an internal rate of return ("**IRR**") of 33% based on a copper price of US$3.35 per pound.

- Total inventory of 1.27 billion pounds of copper of a total leachable resource of 2 billion pounds, providing significant upside opportunities for in-pit expansion.

The graphic below captures LOM cash flows on a post-tax basis using a copper price of US$3.35 per pound, with positive cash flow commencing in Year 1 post-development capital investment.

Life-of-Mine Post-Tax Cash Flow



Conclusions and Recommendations

The QPs of the Technical Report concluded that the resource estimates established for the Stockpile Project and Cactus Project with the associated metallurgical testing, appear adequate for the Technical Report, with additional work warranted to continue to investigate the Cactus Project. The resource estimate for Parks/Salyer deposit further warrants additional drilling such that it can be included into an integrated prefeasibility study ("**PFS**")/technical study.

The primary goals of future work programs recommended are as follows:

- In-fill drill programs of the current resource volume in order to convert Inferred material to Indicated and Measured Resource categories.

- Continue to expand the current resource through additional step-out drilling.

- Continue to explore the mineralized targets away from the deposit to evaluate the potential for additional deposits to add to the medium term expansion potential.

- Conduct additional metallurgical testing as outlined in the Technical Report.

- Complete an integrated technical report / PFS of the Project based on the positive outcome from the Cactus PEA and the Parks/Salyer Mineral Resource.

Work Program

The QPs of the Technical Report recommend the completion of a PFS to advance the Project. Recommendations for further work study programs have been divided into two phases in order to better define the goals and objectives, and assist in planning and budgeting the work. Phase 1 is the completed PFS and Phase 2 is advancing the project to a definitive feasibility study ("**DFS**"). Phase 2 is dependent on positive results from Phase 1.

The first table, directly below, captures all Phase 1 costs required to complete a PFS, whereas the second table reflects the additional Phase 2 costs for the DFS, including final detailed engineering and future exploration drilling on Parks/Salyer and NE Extension. The budget has been estimated for project expenditures commencing in Q4 2021 for the next two phases of the work program. The results of the lab testing, particularly metallurgical, will form the basis to proceed the study to a DFS. The results of additional drilling will be required prior to a scoping level evaluation of the economics for Parks/Salyer and are not included in the costs below.

Phase 1 – Prefeasibility Study Costs

Budget Category	**Estimate Cost (US$ 000)**	
	Q3, 2021	**Q4, 2021**
Drilling	2,782	1,232
Project Support	396	276
Technical Studies	750	750
Lab Testing (Assaying and Metallurgical)	493	198
Permitting	59	80
Land Payments	7,000	
Exploration – Adjacent Properties		
Total	**11,479**	**2,535**

Phase 2 – Definitive Feasibility Study Costs

Budget Category	**Estimate Cost (US$ 000)**
Drilling	3,128
Project Support	750
Technical Studies	652
FEED Engineering	800
Lab Testing (Assaying and Metallurgical)	398
Permitting	124
Land Payments	7,900
Exploration – Adjacent Properties	2,916
Total	**16,669**

CERTIFICATE OF THE COMPANY

Dated: January 31, 2023

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

ARIZONA SONORAN COPPER COMPANY INC.

"George Ogilvie"
George Ogilvie
Chief Executive Officer

"Nicholas Nikolakakis"
Nicholas Nikolakakis
Chief Financial Officer

On behalf of the Board of Directors

"David Laing"
David Laing
Director

"Sarah Strunk"
Sarah Strunk
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: January 31, 2023

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

HAYWOOD SECURITIES INC.

"Ryan Matthiesen"
Ryan Matthiesen
Managing Director, Investment Banking

CANACCORD GENUITY CORP.

"Tom Jakubowski"
Tom Jakubowski
Managing Director, Global Head of Metals & Mining, Investment Banking

STIFEL NICOLAUS CANADA INC.

"Pierre Laliberté"
Pierre Laliberté
Managing Director

BMO NESBITT BURNS INC.

"Alex Watt"
Alex Watt
Director

CIBC WORLD MARKETS INC.

"Steven Reid"
Steven Reid
Managing Director

CORMARK SECURITIES INC.

"Kevin Carter"
Kevin Carter
Managing Director

iA PRIVATE WEALTH INC.

"Frank Lachance"
Frank Lachance
Head of Capital Markets

RAYMOND JAMES LTD.

"John Booth"
John Booth
Managing Director

RBC DOMINION SECURITIES INC.

"Phil Wilkinson"
Phil Wilkinson
Managing Director

SCOTIA CAPITAL INC.

"Blake Morgan"
Blake Morgan
Director

TD SECURITIES INC.

"Mark Tiberio"
Mark Tiberio
Director