

Arizona Sonoran Announces C\$19.9 Million Strategic Private Placement with Hudbay

Casa Grande, AZ and Toronto, ON, January 9, 2025 – Arizona Sonoran Copper Company Inc. (TSX:ASCU | OTCQX:ASCUF) (“ASCU” or the “Company”) is pleased to announce that Hudbay Minerals Inc. (TSX, NYSE: HBM) (“Hudbay”) has agreed to subscribe for 11,852,064 common shares of the Company (“Common Shares”) in a non-brokered private placement (“Private Placement”) at a price of C\$1.68 per Common Share (the “Issue Price”) for total consideration of C\$19,911,467. Closing is expected to occur on or about January 30, 2025, subject to certain customary closing conditions. Proceeds of the Private Placement are to be allocated to drilling, exploration, technical studies and advancement of the Cactus copper project in Arizona (“Cactus” or the “Project”), and for general corporate purposes.

Highlights:

- Hudbay will hold a 9.99% interest in ASCU, following the closing of the Private Placement and after giving effect to the Common Shares currently held by Hudbay.
- Hudbay will subscribe for 11,852,064 Common Shares at a price of C\$1.68 per share for aggregate gross proceeds of approximately C\$19.9 million (~US\$13.8 million at an exchange rate of US\$1.00:C\$1.44).
 - The Issue Price represents a 15% premium to the 5-day volume weighted average price of the Common Shares on the Toronto Stock Exchange (“TSX”) as of the close of trading on January 7, 2025.
- Hudbay has also agreed to subscribe for additional Common Shares to maintain its 9.99% interest in ASCU in the event that pre-emptive rights held by certain other existing shareholders are exercised in connection with the Private Placement.
- In connection with the Private Placement, Hudbay and ASCU will enter into an investor rights agreement, pursuant to which Hudbay will have certain customary rights and obligations, substantially similar to those granted to certain other existing shareholders

George Ogilvie, Arizona Sonoran President and CEO commented, “We are pleased and appreciative to welcome this further endorsement of our Project and the go-forward plan, by the team at Hudbay. It is the Company’s objective to develop Cactus to be a significant producer of copper cathodes for direct use by industry in the State of Arizona and the larger US supply chain. We welcome Hudbay, a mid-tier base metal producer with decades of base metal successes in the

Americas and a strong existing footprint in Arizona, as a larger and increasingly engaged shareholder, able to lend its experience and expertise as we advance and develop Cactus.”

Peter Kukielski, Hudbay President and CEO commented, “Cactus is an exciting copper development project in Arizona. We see the US as a tier-1 mining jurisdiction and this investment increases our exposure to another high-quality development project in the region as we continue to advance our Copper World project.”

Hudbay currently holds 2,870,800 shares, representing 2.12% of the Company’s issued and outstanding Common Shares prior to giving effect to the Private Placement. Post-closing of the Private Placement, Hudbay will own approximately 9.99% of the Common Shares of ASCU.

In connection with the Private Placement, Hudbay and ASCU will enter into an investor rights agreement, pursuant to which Hudbay will have certain customary rights and obligations, provided Hudbay maintains certain ownership thresholds in ASCU, including: (i) the right to participate in equity financings and top-up its holdings in relation to dilutive issuances in order to maintain its *pro rata* ownership in ASCU at the time of such issuance(s); and (ii) observer rights at meetings of the technical and sustainability committee of the Company’s board of directors and certain other customary information access rights. In addition, pursuant to the terms of the investor rights agreement, Hudbay will agree to vote on a basis consistent with the voting recommendations of ASCU’s board of directors or management in respect of various ordinary course matters presented at the Company’s 2025 and 2026 annual shareholder meetings.

The Private Placement is expected to close on or about January 30, 2025, and is subject to the receipt of customary regulatory approvals, including approval by the TSX. The Common Shares to be issued in connection with the Private Placement will be subject to a statutory hold period in accordance with applicable securities laws.

Scotiabank is acting as financial advisor, and Bennett Jones LLP as legal advisor, to the Company, in connection with the Private Placement.

Neither the Toronto Stock Exchange nor the regulating authority has approved or disapproved the information contained in this press release.

About Arizona Sonoran Copper Company (www.arizonasonoran.com | www.cactusmine.com)

ASCU is a copper exploration and development company with a 100% interest in the brownfield Cactus Project. The Project, on privately held land, contains a large-scale porphyry copper resource

and a recent 2024 PEA proposes a generational open pit copper mine with robust economic returns. Cactus is a lower risk copper developer benefitting from a State-led permitting process, in place infrastructure, highways and rail lines at its doorstep and onsite permitted water access. The Company objective is to develop Cactus and become a mid-tier copper producer with low operating costs, that could generate robust returns and provide a long-term sustainable and responsible operation for the community, investors and all stakeholders. The Company is led by an executive management team and Board which have a long-standing track record of successful project delivery in North America complemented by global capital markets expertise.

For more information

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Cautionary Statements regarding Forward-Looking Statements and Other Matters

Forward-Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this press release constitute “forward-looking statements” and “forward-looking information” (collectively, “forward-looking statements”) within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “advancement”, “allocated”, “assumptions”, “become”, “conditions”, “continue”, “could”, “delivery”, “develop”, “development”, “estimates”, “expected”, “exploration”, “following”, “forward”, “future”, “generational”, “growth”, “long-term”, “looking”, “near-term”, “objective”, “participate”, “plan”, “proposes”, “risk”, “see”, “to be”, “towards”, and “will”, or variations of such words, and similar such words, expressions or statements that certain actions, events or results can, could, may, should, would, will (or not) be achieved, occur, provide, result or support in the future, or which, by their nature, refer to future events. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include the terms and use of proceeds of the Private Placement; the timing and ability of the Company to fulfill the conditions and receive the necessary approvals to consummate the Private Placement; whether certain existing shareholders will exercise their pre-emptive rights and the total size of issuances; execution of the investor rights agreement with Hudbay; advancement and the future of the Project (including operations, copper production, returns (economic or otherwise); permitting; operating costs; any upside in value and/or delivered back to shareholders, sustainability and risk); the Company objectives (including the Project becoming a significant

producer of copper cathodes in Arizona and the U.S.); the future plans or prospects of the Company (including sustainability of the Project and becoming a mid-tier copper producer); and the actual voting pattern of Hudbay in respect of the ordinary course matters presented at the Company's 2025 and 2026 annual shareholder meetings. Although the Company believes that such statements are reasonable, there can be no assurance that those forward-looking statements will prove to be correct, and any forward-looking statements by the Company are not guarantees of future actions, results or performance. Forward-looking statements are based on assumptions, estimates, expectations and opinions, which are considered reasonable and represent best judgment based on available facts, as of the date such statements are made. If such assumptions, estimates, expectations and opinions prove to be incorrect, actual and future results may be materially different than expressed or implied in the forward-looking statements. The assumptions, estimates, expectations and opinions referenced, contained or incorporated by reference in this press release which may prove to be incorrect include those set forth or referenced in this press release, as well as those stated in the technical report for the Project filed on August 27, 2024 (the "2024 PEA Technical Report"), the Company's Annual Information Form dated April 1, 2024 (the "AIF"), Management's Discussion and Analysis (together with the accompanying financial statements) for the year ended December 31, 2023 and the quarters already ended in 2024 (collectively, the "2023-24 Financial Disclosure") and the Company's other applicable public disclosure (collectively, "Company Disclosure"), all available on the Company's website at www.arizonasonoran.com and under its issuer profile at www.sedarplus.ca. Forward-looking statements are inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual results, performance or achievements of ASCU to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others, the "Risk Factors" in the AIF, and the risks, uncertainties, contingencies and other factors identified in the 2024 PEA Technical Report and the 2023-24 Financial Disclosure. The foregoing list of risks, uncertainties, contingencies and other factors is not exhaustive; readers should consult the more complete discussion of the Company's business, financial condition and prospects that is provided in the AIF, the 2023-24 Financial Disclosure and other Company Disclosure. Although ASCU has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this press release (or as otherwise expressly specified) and ASCU disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements referenced or contained in this press release are expressly qualified by these Cautionary Statements as well as the Cautionary Statements in the AIF, the 2024 PEA Technical Report, the 2023-24 Financial Disclosure and other Company Disclosure.

Preliminary Economic Assessments

The 2024 Preliminary Economic Assessment (or 2024 PEA) referenced in this press release and summarized in the 2024 PEA Technical Report is only a conceptual study of the potential viability of the Cactus Copper Project and the economic and technical viability of the Project has not been demonstrated. The 2024 PEA is preliminary in nature and provides only an initial, high-level review of the Project's potential and design options; there is no certainty that the 2024 PEA will be realized. For further detail on the Project and the 2024 PEA, including applicable technical notes and cautionary statements, please refer to the Company's press release dated August 7, 2024 and the 2024 PEA Technical Report, both available on the Company's website at www.arizonasonoran.com and under its issuer profile at www.sedarplus.ca.

Mineral Resource Estimates

Until mineral deposits are actually mined and processed, copper and other mineral resources must be considered as estimates only. Mineral resource estimates that are not classified as mineral reserves do not have demonstrated economic viability. The estimation of mineral resources is inherently uncertain, involves subjective judgement about many relevant factors and may be materially affected by, among other things, environmental, permitting, legal, title, taxation, socio-political, marketing, or other known and unknown risks, uncertainties, contingencies and other factors described in the foregoing Cautionary Statements on Forward-Looking Statements. The quantity and grade of reported "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain if further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. Inferred mineral resource estimates may not form the basis of feasibility or pre-feasibility studies or economic studies except for preliminary economic assessments. The accuracy of any mineral resource estimate is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. It cannot be assumed that all or any part of a "inferred", "indicated" or "measured" mineral resource estimate will ever be upgraded to a higher category including a mineral reserve. The mineral resource estimates declared by the Company were estimated, categorized and reported using standards and definitions in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves (the "CIM Standards") in accordance with National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101"), which governs the public disclosure of scientific and technical information concerning mineral projects.

U.S. Readers

The terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" as disclosed by the Company are Canadian mining terms defined in the CIM Standards (collectively, the "CIM Definitions") in accordance with NI 43-101. NI 43-101 establishes standards for all public

disclosure that a Canadian issuer makes of scientific and technical information concerning mineral projects. These Canadian standards differ from the requirements of the United States Securities and Exchange Commission (the “SEC”) applicable to United States domestic and certain foreign reporting companies under Subpart 1300 of Regulation S-K (“S-K 1300”). Accordingly, information describing mineral resource estimates for the Cactus Copper Project may not be comparable to similar information publicly reported in accordance with the applicable requirements of the SEC, and so there can be no assurance that any mineral resource estimate for the Project would be the same had the estimates been prepared per the SEC’s reporting and disclosure requirements under applicable United States federal securities laws, and the rules and regulations thereunder, including but not limited to S-K 1300. Further, there is no assurance that any mineral resource or mineral reserve estimate that the Company may report under NI 43-101 would be the same had the Company prepared such estimates under S-K 1300.