



ARIZONA SONORAN COPPER COMPANY INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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INTRODUCTION

The following Arizona Sonoran Copper Company Inc. (“ASCU” or the “Company”) Management Discussion and Analysis (“MD&A”) was prepared as of November 6, 2025 and should be read in conjunction with the unaudited interim condensed consolidated financial statements (“Financial Statements”) of the Company as at September 30, 2025 and for the three and nine-month period ended September 30, 2025 and 2024. The Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as issued by the International Accounting Standards Board, and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. All dollar amounts are expressed in United States dollars unless otherwise noted. Additional information relating to the Company is available on the Company’s website (www.arizonasonoran.com) and System for Electronic Data Analysis and Retrieval+ (“SEDAR+”) – (www.sedarplus.ca). The Company trades on the Toronto Stock Exchange (“TSX”) under symbol “ASCU” and the OTCQX under the symbol “ASCUF”.

This MD&A should be read in conjunction with the annual MD&A dated March 27, 2025, the annual financial statements dated March 27, 2025 for the year ended December 31, 2024 and the Annual Information Form (“AIF”) dated March 27, 2025 filed with the Canadian Securities Administrators (“CSA”) under the Company’s profile on SEDAR+ at www.sedarplus.ca and also available on its website at www.arizonasonoran.com.

ASCU is an emerging copper development and advanced exploration stage company, advancing a multi-phase, multi-billion-pound brownfield copper porphyry project, entirely on private and State land in the infrastructure-rich Pinal County, Arizona, comprised of the Cactus East, Cactus West and Parks/Salyer properties and underlying copper deposits (including related mineral rights), among other private and State landholdings, water rights and other assets (collectively, the “Project” or the “Cactus Project”), with the potential to produce copper cathodes directly onsite, via conventional heap leach and solvent extraction and electrowinning (“SXEW”). The Company holds 100% ownership of, and/or control over, the Cactus Project through its wholly-owned subsidiaries Arizona Sonoran Copper Company USA Inc. (“ASUSA”) and Cactus 110, LLC (“Cactus 110”).

The Project’s exploration programs and pertinent disclosure of a technical or scientific nature are reviewed and supported by Qualified Persons as defined by National Instrument 43-101– Standards of Disclosure for Mineral Projects noted in *“The Project – 2025 Pre-Feasibility Study - Quality Assurance and Quality Control Procedures.”*

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Refer to the *Cautionary Statements on Forward-Looking Statements and Other Matters* at the end of this MD&A.

DEFINITIONS

“**2024 PEA**” herein means the Preliminary Economic Assessment summarized in “NI 43-101 Technical Report Preliminary Economic Assessment of the Cactus Mine Project, Pinal County, Casa Grande Arizona”, effective August 7, 2024, and issued August 23, 2024, which superseded the 2024 PFS in its entirety.

“2024 PFS” herein means the 2024 Preliminary Feasibility Study summarized in “Cactus Mine Project NI 43-101 Technical Report and Pre-Feasibility Study, Arizona, United States of America”, dated March 28, 2024 (with an effective date of February 21, 2024), which has been superseded in its entirety by the 2025 PFS and should not be relied upon.

“2025 PFS” means the pre-feasibility study completed on the Cactus Project, the results of which were announced by the Company on October 20, 2025 and will be presented in detail in a technical report to be filed by the Company under its issuer profile on SEDAR+ (www.sedarplus.ca) within 45 days of such press release. The 2025 PFS (including the eventual technical report) supersedes the 2024 PEA and all prior studies (including related technical reports) in their entirety.

“Cactus East” herein means the properties (including surface and mineral rights) comprising the Cactus East porphyry copper deposit, previously known as the Sacaton East deposit.

“Cactus West” herein means the properties (including surface and mineral rights) representing the Cactus West porphyry copper deposit, previously known as the Sacaton West deposit.

“LKY” herein means LKY/Copper Mountain Investment Limited Partnership L.L.L.P. from which Cactus 110 purchased 1,000 acres of private land, surface and mineral rights, completed in 2022, subject to a vendor carryback loan for deferred purchase price of which \$5 million remains due, on a non-interest-bearing basis, for payment on or before February 10, 2027.

“Nuton” herein means Nuton LLC, a Rio Tinto venture.

“Nuton OTJV” herein means the Option to a Joint Venture Agreement between ASCU, ASCUSA and Cactus 110, and Nuton dated December 14, 2023, to advance land acquisition, development and exploration at the Cactus Project, under which Nuton was granted the exclusive right and option (the “Nuton Option”) to acquire between a 35.0% to 40.0% interest in the Cactus Project on the terms and conditions contained in the referenced option agreement, as more particularly described in the Company’s Annual Information Form dated March 27, 2025, available under the Company’s issuer profile on SEDAR+ (www.sedarplus.ca) and the Company’s website (www.arizonasonoran.com).

“Parks/Salyer” herein means the properties (including surface and mineral rights) representing a porphyry copper deposit, located immediately southwest of Cactus West on contiguous private and State land in Arizona, USA, inclusive of Parks/Salyer South. Parks/Salyer is located 1.3 mi (2 km) SW from the Cactus West open pit along the mine trend and demonstrates the same geological, metallurgical and geotechnical characteristics.

“Parks/Salyer South” herein means 528.78 acres of land (including surface and mineral rights), formerly known as MainSpring, representing the southern extension of the original Parks/Salyer deposit and now considered part of Parks/Salyer.

“Stockpile” herein means the historic waste dump created through dumping of defined waste material from the mining of the historic Sacaton West open pit deposit, located on the Cactus West property. All oxide copper mineralization, and sulfide copper mineralization below the working grade cut-off of 0.3% copper (Cu) was deposited to the waste dump.

COMPANY HIGHLIGHTS – YEAR-TO-DATE 2025

Corporate Updates

- On January 6, 2025, the Company announced that it had completed a buyback of 1% of the Bronco Creek Exploration ("BCE") net smelter royalty ("NSR") for a cash payment of \$500 on December 30, 2024, reducing the NSR on BCE from 1.5% to a remaining 0.5% NSR. The NSR applies to the BCE parcel which comprises a portion of the Parks/Salyer deposit on the Project.
- On January 31, 2025, the Company closed a private placement with Hudbay Minerals Inc. ("Hudbay") of 11,955,270 common shares at a price of C\$1.68 for gross proceeds to the Company of C\$21,647 (\$14,945). Additionally, Nuton, exercised its pre-emptive rights in respect of the Hudbay placement, pursuant to the terms of its investor rights agreement, to maintain its 7.2% equity interest in the Company for gross proceeds of C\$1,562 (\$1,078).
- On January 31, 2025, the Company completed the acquisition of Parks/Salyer South with payment of \$6,000 together with accrued interest at 6% per annum, ahead of its February 28, 2025 maturity date.
- On February 3, 2025, the Company announced that it had adopted a shareholder rights plan (the "Rights Plan") effective as of January 31, 2025, pursuant to a shareholder rights plan agreement entered into with TSX Trust Company, as rights agent. The Rights Plan is designed to ensure that all ASCU shareholders are treated fairly in connection with any take-over bid and to protect against "creeping bids", which involve the accumulation of 20% or more, on an aggregate basis, of the Company's Common Shares through purchases exempt from applicable take over-bid rules.
- On February 13, 2025, the Company announced that RG Royalties LLC, a subsidiary of Royal Gold Inc. ("Royal Gold") had purchased from Tembo Capital, an existing 2.5% net smelter returns royalty ("NSR") on a portion of the Project for cash consideration of \$55,000. The Company's subsidiaries have the right to buy-down 0.5% of Royal Gold's aggregate 2.5% NSR for \$7,000, by delivering notice of exercise of such buy-down right by July 10, 2025. Such notice of exercise was delivered to Royal Gold on June 24, 2025.
- On February 25, 2025, the Company announced that initial Parks/Salyer infill drilling results appear to confirm the continuity of mineralization at tighter drill spacings, and additionally, appear to extend the high grade core mineralization at the Parks/Salyer copper deposit, onto Parks/Salyer South. Three drill rigs were focused on mineral resource infill drilling, while a fourth rig was focused on both mineral resource infill drilling at Cactus West and providing downhole data for the geotechnical and hydrological programs necessary for the 2025 PFS.

Additionally, it was announced that Doug Bowden stepped down as Vice President Exploration, effective April 1, 2025. Christopher White was in turn appointed as Manager, Geology to lead the infill drilling programs at the Cactus Project, as the Project moves through its technical studies. Chris joined in 2023 as Chief Mine Geologist and has worked closely alongside Doug since then, overseeing the geology and exploration programs.

- On May 8, 2025, the Company provided updates on the 2025 PFS workstreams.
- On June 2, 2025, the Company announced the appointment of Hannam & Partners as its project finance advisor for the Project.
- On June 17, 2025, the Company announced that Shareholders voted in favour of the business of the

2025 annual general meeting of ASCU shareholders (“AGM”) including approval of the Shareholder Rights Plan.

- On June 20, 2025, the Company announced that it had closed its bought deal financing of 25,875,000 common shares in the capital of the Company at a price of C\$2.00 per common share, for gross proceeds to the Company of C\$51.8 million (\$37.7 million) (the “June 2025 Offering”) initially announced on June 2, 2025. The Offering was underwritten on a “bought deal” basis by a syndicate of underwriters.
 - The net proceeds from the Offering will be used for royalty buyouts, land purchases, exploration and development at the Project, and for general working capital and corporate purposes, as described in the short form prospectus dated June 13, 2025, filed in all provinces of Canada, except Québec (the “Prospectus”).
 - The Common Shares were offered to U.S. buyers on a private placement basis pursuant to available exemptions from the registration requirements of the United States Securities Act of 1933, as amended, and other jurisdictions outside of Canada provided that no prospectus filing, or comparable obligation arises.
- On June 25, 2025, the Company announced that its subsidiaries had exercised their rights to buy-down 0.64% of certain NSRs on the Project ahead of the applicable July 10, 2025 exercise notice expiry dates. Total cash payments of \$8.91 million were made on completion on August 13, 2025 to Royal Gold and Elemental Royalties Delaware LLC, a subsidiary of Elemental Altus Royalties Corp. (“Elemental Altus”), to reduce the aggregate percentage of the collective NSRs (collectively, the “Royal Gold /Elemental Altus NSRs”) from an aggregate 3.18% to a remaining 2.54% (collectively, the “NSR Buy-downs”).
- On July 10, 2025, the Company closed a non-brokered private placement financing in respect of the exercise by Hudbay of its pre-emptive rights under its Investor Rights Agreement relating to the June 2025 Offering. Hudbay subscribed for 2,907,612 common shares of the Company at a price of C\$2.00 per common share for aggregate gross proceeds to the Company of C\$5.8 million (\$4.3 million).
- On July 15, 2025, the Company announced that on July 11, 2025, Tembo Capital Elim Co-Investment LP (“Tembo”) announced the sale of 17.5 million common shares of the Company (the “Tembo Shares”) to Scotia Capital Inc. (“Scotia”) in a bought deal arrangement which, ASCU understands, closed on July 14, 2025 (the “Tembo Sale”). The Company further understands that Scotia, in turn, sold the Tembo Shares to various institutions in a secondary market transaction, also completed on July 14, 2025. As a result of the Tembo Sale, Tembo Capital’s aggregate common share ownership in ASCU was reduced from 18.8% to 9.0% and, as a result, the Investor Rights Agreement between the Company and Tembo concurrently terminated.

Exploration Updates

- On May 8, 2025, the Company announced an update on key workstreams associated with advancing the 2024 PEA (see “*The Project – 2025 Pre-Feasibility Study*” below) to Pre-feasibility Study (“PFS”). Work programs in 2025 have been in support of the 2025 PFS updated as follows:
 - Engineering:
 - Hydrology – Vibrating wireline piezometers have been installed in eight drillholes; ground water data is being collected to facilitate the ongoing hydrologic model.
 - Geotechnical drilling is complete and test work and final analysis is pending.

- Base case mine planning nearing completion with varying opportunities to improve Project economics.
- Earthworks and trial excavation of the Cactus West pit using a surface continuous miner.
- Metallurgy – completed columns to date indicate Parks/Salyer metallurgy positively correlates with 2024 PEA results. Additional primary sulphide column testing using conventional heap leaching is ongoing.
- Cactus West Pit Sampling – samples from the pit lake were taken in 3Q2025, with assay results to be analyzed for potential usage of pit lake solution within the PFS flow sheet.
- Drilling – final results of infill drilling program to support the PFS highlighted below.
- Land use management – Pinal County has selected the Project's stockpiled alluvium for use as road construction material, and moved offsite for use in road improvement and construction within the local community.
- On August 27, 2025, the Company announced completion of both the infill to Indicated 2024 PFS drilling program and an additional Cactus West step out drill program for a total of 232,000 ft (70,715 m) at the Project. PFS drilling focused in the south of the Parks/Salyer deposit to upgrade near surface and low grade Inferred Mineral Resource Estimates ("MRE") to the Indicated classification. Based on drill assays received, the Company expects a high mineral resource estimate conversion rate, as infill drilling continues to intercept consistent copper porphyry mineralization at both Parks/Salyer and the Cactus West deposits. In total, the PFS drilling program comprised 160,000 ft (49,000 m), 134 drill holes, including geotechnical, hydrogeological and metallurgical drilling over the entire Cactus Project in addition to the infill, Inferred to Indicated conversion drilling, at 250 ft (76 m) drill spacing (collectively, the "PFS Drilling"). Drilling for the Definitive Feasibility Study ("DFS") infill Indicated to Measured conversion drilling program, is now underway, with two drill rigs at Parks/Salyer. The planned program is comprised of approximately 110 drill holes for approximately 80,000 ft (24,000 m) and is expected to be complete by early 2026.
- On September 2, 2025, the Company announced completion of the acquisition of 2,123 acres of land for the Project in August 2025 comprised of 2,043 acres from a consortium of related private corporate landowners ("Consortium Land") and 80 acres from a single private land owner.

The 80-acre purchase price was \$30,000 per acre, with \$1.2 million paid in cash on closing, with the remaining \$1.2 million deferred subject to a non-interest-bearing Vendor Loan, to be paid in full in cash by maturity on June 27, 2026, with Cactus 110 having the right to pre-pay such loan, in whole or in part, at any time, without penalty.

The Consortium Land includes 100% of the surface rights to such lands as well as all mineral rights held by the Consortium Vendors, representing approximately 80% of the underlying mineral title. The purchase price for the Consortium Land was \$50,000 per acre (the "Consortium Purchase Price"), with \$5 million paid on the closing (\$2 million in cash and 1,549,487 common shares at a deemed price of C\$2.66 per share, representing \$3 million value equivalent) and the balance deferred subject to applicable Vendor Loans at an interest rate of six percent (6%) per annum accruing and capitalized annually, and payable on maturity in 2029, per the following schedule, with Cactus 110 having the right to pre-pay such loans, in whole or in part, at any time, without penalty:

2026	\$5 million (up to \$3 million in ASCU common shares, at Cactus 110's sole option)
2027	\$5 million (up to \$2 million in ASCU common shares, at Cactus 110's sole option)
2028	\$5 million (up to \$2 million in ASCU common shares, at Cactus 110's sole option)
2029	subject any pre-payments, ~\$82.2 million in deferred purchase price plus accrued, capitalized interest.

- On September 2, 2025, the Company announced its updated MRE reporting 11 billion pounds of contained copper in updated Project MRE in the Measured and Indicated Category, 75% of which is estimated to be leachable material. The updated and expanded MRE is inclusive of a conversion drilling program that targeted the near surface material from Parks/Salyer South, and step out and conversion drilling from the Cactus West and Cactus East deposits. See details in "The Project – Pre-Feasibility Study".
- On October 20, 2025, the Company announced it had completed its NI 43-101 2025 PFS for the Project (see "*The Project – 2025 Pre-Feasibility Study*"). The 2025 PFS outlines a long-life, conventional copper surface mining, with processing via heap leach and SX/EW, to produce 103,000 tonnes of LME Grade A copper cathode annually over the first 10 years of the 22 year Project mine life. Highlights from the 2025 PFS are as follows:
 - A post-tax net present value ("NPV") of \$2.3 billion using an 8% discount rate and an internal rate of return ("IRR") of 22.8% and using a \$4.25/lb. flat long-term copper price
 - Total initial capital cost of \$977 million over a 24-month construction period
 - Post-tax unlevered Free Cash Flow of \$7.2 billion
 - Cash Costs ("C1") of \$1.34/lb. and All in Sustaining Cost ("AISC") of \$1.62/lb. and All in costs ("AIC") of \$2.01/lb.

The information outlined above is supported by the press release disseminated by ASCU on October 20, 2025 (entitled "Arizona Sonoran Pre-Feasibility Study Delivers Exceptional Results for the Cactus Project, Outlining Long-Life, Low-Cost Copper Production in Arizona"). The NI 43-101 technical report in respect of the 2025 PFS is expected to be filed on SEDAR+ at www.sedarplus.ca under the Company's issue profile in November 2025.

OUTLOOK

The Company continues to progress its planned work programs with key milestones expected for the continued advancement of the Project, through Definitive Feasibility Study to an eventual final investment decision as early as Q4 2026.

As of November 6, 2025, the Company had cash of approximately \$40.8 million. The Company will require additional financing to achieve all of its planned operational and strategic activities in the form of debt, equity, or a combination thereof, but believes it has sufficient cash resources for committed spending in the next twelve months. See "*Liquidity and Capital Resources*" below.

2025 Work Plan Highlights

- **Drilling Programs** – A minimum of 130,000 ft (39,624 m) of drilling to upgrade the mineral resource estimate at Parks/Salyer and Cactus West into the indicated category as required for 2025 PFS is complete.
- **Advancing Technical Studies:**
 - Technical study timeline:
 - Updated MRE – released September 16, 2025

- 2025 PFS – results released October 20, 2025 with the technical report to follow in November 2025
- 2H2025 initiate the planned Definitive Feasibility Study (“DFS”)
- **Permitting and Land:**
 - Following the 2025 PFS, amendments to the Aquifer Protection Permit, Industrial Air Permit and Mined Land Reclamation Permit are expected to begin in 2H2025
 - Final payment of US\$6 million to finalize the Parks/Salyer South acquisition was made on January 31, 2025
- **Project Financing** – Continuing dialogues with potential financial partners with respect to project financing options
- **DFS** – Work requirements for the DFS are planned to advance following completion of the 2025 PFS, including applicable drilling, geotechnical, metallurgical and engineering work

THE PROJECT

The Project is a development stage copper project envisaging an open pit operation with heap leach and solvent extraction and electrowinning processing to produce LME Grade A copper cathodes onsite. The 2025 PFS sets out the proposed development and operations plan, and resulting estimated economics, for mining the Project’s primarily oxide and enriched mineralization contained at Parks/Salyer and Cactus West. The scientific and technical information in this section relating to the Project and the 2025 PFS, including information outlined under the heading “*Pre-Feasibility Study*” below, is also summarized in the press release dated October 20, 2025 (entitled “Arizona Sonoran Pre-Feasibility Study Delivers Exceptional Results for the Cactus Project, Outlining Long-Life, Low-Cost Copper Production in Arizona”). The key assumptions, parameters, qualifications, procedures and methods underlying the 2025 PFS, certain of which are described in the above-noted press release, will be further described in the full technical report for the 2025 PFS prepared in accordance with NI 43-101, expected to be filed in November 2025 on SEDAR+ (www.sedarplus.ca) under the Company’s issuer profile (the “2025 PFS Technical Report”).

The Company’s consultants for its 2025 PFS are finalizing the 2025 PFS Technical Report while initiating initial work towards a DFS. Additionally, the Company continues to develop the ultimate Project base case scenario. See “2025 Pre-feasibility Study” below for details of the 2025 PFS.

2025 Pre-Feasibility Study

The 2025 PFS outlines a long-life, economically viable copper conventional operation utilizing open pit mining and heap leach-SXEW processing to produce LME Grade A copper cathode. The Project’s average annual copper cathodes over the first 10 years of mining is estimated at approximately 103,000 tonnes (226 million lbs.).

2025 PFS Highlights

- Key Performance Indicators:
 - US\$2.3B NPV (8% discount, after-tax)
 - 22.8% Internal rate of return IRR
 - 5.3 years Payback Period
- Life of Mine (“LoM”) Gross Revenue of \$16.9 billion
- LoM Free Cash Flow (“FCF”) of \$7.2 billion (unlevered)

- Conventional, Cost-effective Mining and Processing: Open-pit, Heap Leach and SXEW Operation with Oxide and Enriched Materials from Cactus West and Parks/Salyer open pits over 22 years of processing
 - Cash costs (C1) of \$1.34, AISC of \$1.62 per pound of copper and AIC of \$2.01/lb.

TABLE 1: Summary of Key Metrics At \$4.25/lb. Cu PFS Base Case

Valuation Metrics	Unit	
NPV^{8%} (pre-tax)	\$ millions	3,244
NPV^{8%} (after-tax)	\$ millions	2,301
Internal Rate of Return (after-tax)	%	22.8
Payback Period (after-tax)	# years	5.3
LoM Revenues	\$ millions	16,948
LoM EBITDA*	\$ millions	11,805
LoM FCF* (unlevered) after tax	\$ millions	7,162
Project Metrics (Imperial) Life of Mine		
Construction Period	# months	24
Operational Life of Project⁽¹⁾	# years	22
Strip Ratio	Waste:Feed	3.3:1
Ore Mined	ktons	512,859
Copper Reserve Grade	% CuT	0.52
Annual Crusher Throughput	million tons	28
Recoveries	% CuT	75
Recovered Copper Cathode	K lbs.	3,987,794
Annual Copper Production⁽¹⁾	000 tons millions lbs.	99 198
Project Years 1-10 (average annual)		
Copper Production	000 tons millions lbs.	113 226
Revenue	\$ million/yr	962
FCF (unlevered) after-tax	\$ million/yr	381
Costs		
Cash Cost (C1)*	\$/lb. Cu	1.34
All-in Sustaining Cost (AISC)*	\$/lb. Cu	1.62
All in Cost (AIC)*	\$/lb. Cu	2.01
Initial Capital (including contingency)	\$ millions	977
Sustaining Capital	\$ millions	1,327

Notes:

*Non-IFRS financial measure; see “Non-IFRS Financial Measures”. Project operating costs include mine operating, process plant operating, and general and administrative costs (“G&A”). Total production costs include royalty expense. The AISC additionally includes initial Capex, sustaining Capex, reclamation & closure. AIC additionally includes taxes and initial capital.

(1) Life-of-mine excludes years 21 and 22, during which operations consist solely of SXEW processing

Key PFS Advancements

Operations:

- Streamlined mine plan leaches oxides and enriched ore from Parks/Salyer and Cactus West open pits, reducing LoM but improving estimated overall ore grade reporting to the processing circuit and simplifying the execution of the Project.
 - Primary Sulphides and Cactus East underground moved to future expansion opportunities.
- Optimized crushing and haulage to maximize copper recovery.
- Metallurgical and recovery performance improved to 75% total copper recovery from 65% total copper, over defined leach cycle spanning three 180-day cycles

Economics:

- A focus on efficient copper operations results in consistent estimated annual revenues, free cash flows and annual production rates.
- Modelled at \$4.25 copper price vs long-term analysts' consensus of \$4.34 and COMEX spot's 5-day average of \$5.02.

Mining and Processing Costs:

- Initial mining phases moved north to access higher grade ore tons earlier at Parks/Salyer.
- Crusher capacity increased to 28 million tons per annum and Solvent Extraction ("SX") flow rate increased to 21,500 gallons per minute ("gpm").
- Full SXEW nameplate capacity increases to 140,000 tons copper per annum between years 3 and 4, facilitating a higher production profile in the early years.
- Lower estimated mining cost per ton of ore and waste rock moved primarily due to economies of scale, and reduced drill and blast requirements in the overlying waste material.
- Low estimated processing costs related to decreased net acid consumption (7 lbs. per ton).
- Better defined power requirements, including addition of second substation and extending current lines.
- Initial capital estimate supports a higher production profile in years 3-5.

The capital cost estimates for this PFS were developed with a $\pm 20\%$ accuracy and an estimated development contingency of 18% for plant and site and 5% mining equipment, according to the Association of the Advancement of Cost Engineering International (AACE) Class 4 estimate requirements. The estimates include the cost to complete the design, engineering, procurement, construction, and commissioning of all process plant facilities. The Company expects to produce LME Grade A copper cathodes directly onsite.

The mine plan establishes onsite copper cathode production from conventional heap leach and SXEW processing of the oxide and enriched material. Mine operations are expected to use conventional truck and shovel and two-stage crushing. Truck loading of the heap leach pad in the first three years then pivoting to conventional stacking. The tank house will start with a 70,000 ton per year facility with the addition of a second facility of same size, ready for use between years three and four. Production from the heap will reach 140,000 tons per year from year five. Average annual cathode production for the first 10 years is expected to be 113,000 tons. A total of 2,210 million tons is expected to be mined (waste + ore), including a total of 513 million tons processed, resulting in the recovery of 3,988 million pounds or 1,994,000 tons of copper cathodes over the LoM.

Feed to the heap leach pad will be oxide and enriched ore from the Parks/Salyer and Cactus West open pits.

FIGURE 1: Estimated Annual Recovered Copper and Cumulative PFS Unlevered Free Cash Flows
illustrates benefits of focusing on the optimized mine plan

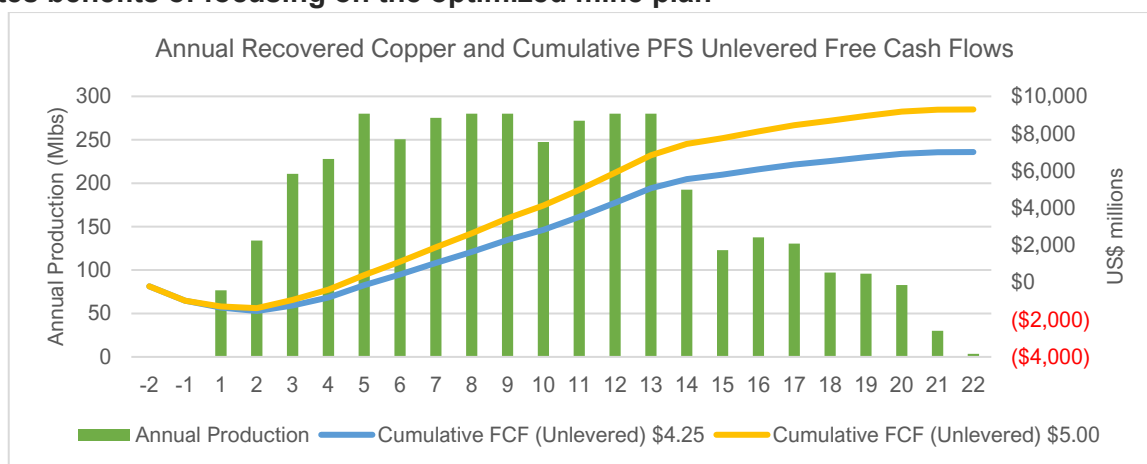


FIGURE 2: Estimated Annual Revenue, EBITDA and Unlevered Free Cash Flow

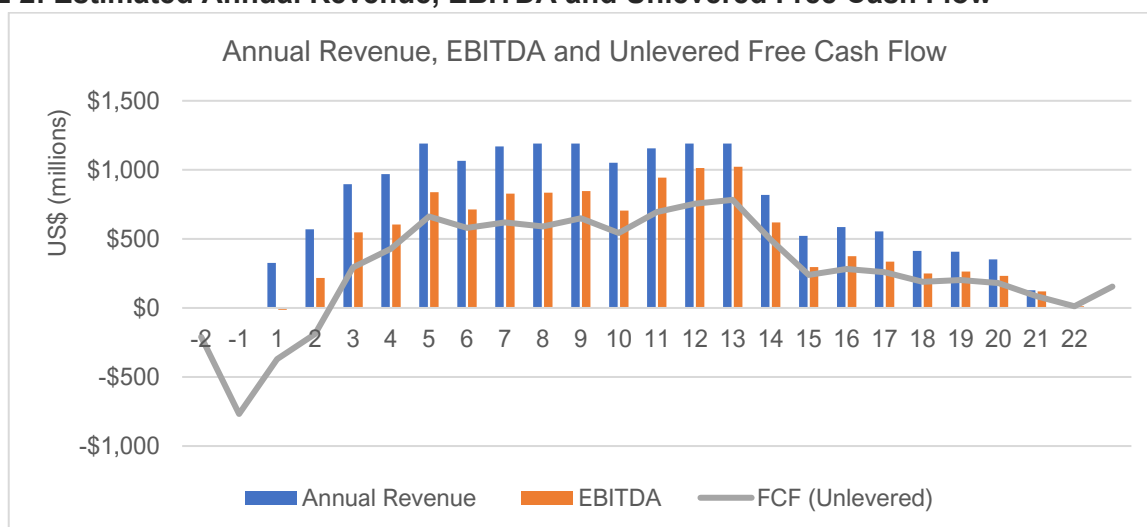


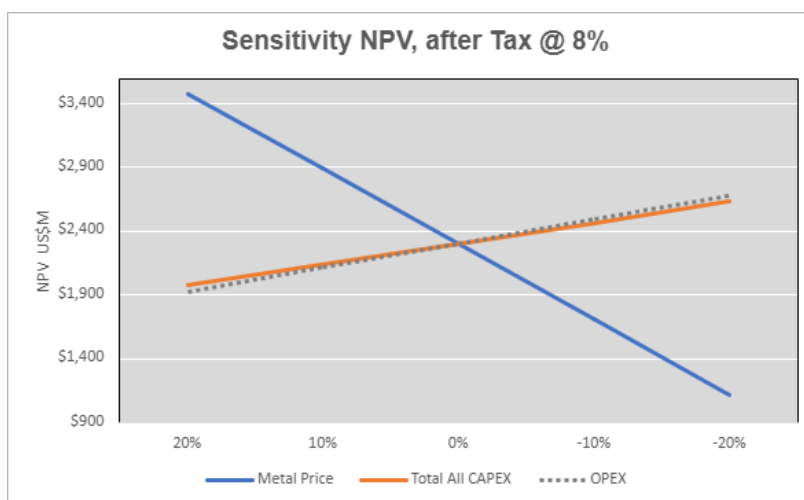
TABLE 2: PFS Sensitivities to the Copper Price

Revenue, NPV ^{8%} and IRR Sensitivity Based on Copper Price					
Metal Price	Copper Price	Revenue (US\$000)	Pre-tax NPV ^{8%} (US\$000)	After-tax NPV ^{8%} (US\$000)	After-tax IRR (%)
Base Case⁽¹⁾	\$4.25	\$16,948,123	\$3,243,942	\$2,301,317	22.8%
20% ⁽²⁾	\$5.10	\$20,337,747	\$4,741,010	\$3,480,922	29.4%
10%	\$4.68	\$18,642,935	\$3,992,476	\$2,892,400	26.2%
-10%	\$3.83	\$15,253,310	\$2,495,409	\$1,709,602	19.2%
-20%	\$3.40	\$13,558,498	\$1,746,875	\$1,112,191	15.5%

⁽¹⁾ No COMEX premium applied to the Base Case study

⁽²⁾ COMEX Spot pricing assumed at \$5.00

FIGURE 3: NPV Sensitivity to the Metal Price, CAPEX and OPEX



Conventional Mining and Processing Operations

For the PFS, the basis of the design for material handling equipment is forecasted at an annual operating throughput of 28,000,000 dry tons of ore per year placed on the heap leach pad. The Parks/Salyer and Cactus West open pits will provide ore feed to the leach pad from year 1 through year 20 at variable rates not less than an estimated 18 million tons and not more than 28 million tons per annum. Crushing rates are variable to accommodate constraints in the electrowinning circuit and avoid building large inventories on the leach pad. The mining sequence has been designed to balance stripping requirements under this constraint for efficient plant operations.

The Cactus Project process plant will consist of a two-stage crushing and screening plant ahead of heap leach. The pregnant leach solution (PLS) will be processed in a solvent extraction (SX) and electrowinning (EW) plant. The SXEW plant process design will include three extraction settlers, one strip settler, a tank house, and initial electrowinning cathode capacity of 70,000 tons per year followed by an expansion that would double capacity to 140,000 tons per year between years three and four.

A total of 1,839.6 million tons of material is projected to be mined from the Parks/Salyer pit, including 373.8 million tons of proven and probable mineral reserve leach ore at a 0.59% total copper grade and a strip ratio of 3.9:1. A total of 368.9 Mt of material is projected to be mined from the Cactus West pit, including 139.1 Mt of proven and probable mineral reserve leach ore at a 0.33% total copper grade and a strip ratio of 1.7:1. The LoM strip ratio is 3.3:1 combined.

The Parks/Salyer open pit is planned to be mined in seven phases (0-6), while the Cactus West open pit is planned to be mined in two phases (1-2). The detailed designs for the Parks/Salyer and Cactus West open pits are based on wall slope parameters received from Call and Nicholas Inc. (CNI) in June 2025. Equipment sizing for ramps and working benches are based on the use of 320-ton rigid frame trucks. The road width design is 140 feet (42.6 m) with a maximum ramp gradient of 10%. Working benches are designed at 40 feet (12.2 m) with placement of safety berms of variable width on every bench. Geotechnical berms of varying width will be used in places to reduce overall slope angles in Parks/Salyer to approximately 40 degrees, when this is not accomplished with ramp widths alone.

Copper cathodes will be produced directly onsite via heap leach and SXEW, including a three-year ramp up period. The Project heap leaching process design includes crushing of all material types to a minus 3/4"

P80 size for leaching. All material types will be leached on a single pad with an initial leaching cycle of 180 days. Three 180-day leach cycles have been assumed over a three-year period, as the practical limit for effective recovery based on experience and hydrodynamic analysis of the materials by HydroGeoSense, an independent consultant. Gross acid usage is estimated to be 18.5 lbs. per ton and net acid usage of 7.0 pounds per ton at a cost of \$160 per ton.

A 95% heap efficiency factor has been applied to relate column tests to operational heap copper extractions. This allows for inefficiencies in the heap operations. The recommended copper recovery projections include this heap efficiency factor.

In an effort to focus on higher quality ore tons, the Stockpile has been removed from the mine plan and will be screened for use of over liner on the leach pads. Cactus East and primary sulphides, excepting those extracted while targeting oxides and enriched materials, have also been removed from the mine plan, in favour of future optimization opportunities.

Average annual water consumption is planned at approximately 2,050 gallons per minute, the equivalent of 3,300 acre feet per year, well within the Project's permitted 3,736 acre feet per year industrial use allocation, using in-place onsite wells.

Costs and Economics

The estimated total LoM costs, operating costs per ton (\$/ton) of processed material, and dollars per pound (\$/lb.) of cathode produced are summarized in the three tables below. Project operating costs include mine operating, process plant operating, and G&A. Total production costs include the royalty expense. The AISC additionally includes sustaining capital expenditures, reclamation & closure, while AIC further includes initial capital expenditures, property and severance taxes.

Mining operating cost estimates, prepared by AGP Mining Consultants Inc., are based on Company-managed mining activities using an owner-operator model. Process operating cost estimates were prepared by M3 Engineering and G&A cost estimates were prepared by M3 Engineering with input from ASCU, as summarized in **TABLES 3-5** below (note numbers may not add due to rounding). Sequence of operations and annual cash flow estimates are detailed in **Exhibit 1 and 2** below.

TABLE 3: LoM Operating and Production Costs Estimates

TABLE 3: LoM OPERATING AND PRODUCTION COSTS				
Cost Elements	LoM (US\$)			
	Total Cost (US\$M)	US\$ / ton Processed	US\$ / tonne Processed	US\$ / lb. Copper
Mine Operating Cost	\$3,518	\$6.86	\$7.56	\$0.88
Process Plant Operating Cost	\$1,297	\$2.53	\$2.79	\$0.33
General & Administration	\$205	\$0.40	\$0.44	\$0.05
Operating Costs	\$5,021	\$9.79	\$10.79	\$1.26
Royalties	\$324	\$0.63	\$0.70	\$0.08
Total Production Costs (C1)¹	\$5,344	\$10.42	\$11.49	\$1.34
Sustaining Capex	\$1,327	\$2.59	\$2.85	\$0.33
Reclamation & Closure	\$25	\$0.05	\$0.05	\$0.01
Salvage	(\$226)	(\$0.44)	(\$0.49)	(\$0.06)
All-In Sustaining Costs¹	\$6,471	\$12.62	\$13.91	\$1.62
Property & Severance Taxes	\$579	\$1.13	\$1.25	\$0.15
Initial Capex (non-sustaining)	\$977	\$1.90	\$2.10	\$0.24
All-In Costs¹	\$8,027	\$15.65	\$17.25	\$2.01

TABLE 4: LoM Operating Cost and Cash Flow Estimates

TABLE 4: LoM OPERATING COST AND CASH FLOW		
ACTIVITY	US\$M	US\$ / ton Processed
LOM REVENUE	16,948	-
Mining	3,518	6.86
Process Plant	1,297	2.53
General & Administration	205	0.40
Total Cash Operating Cost	5,021	9.79
Royalties	324	0.63
Salvage Value	(226)	(0.44)
Reclamation & Closure	25	0.05
Total Production Cost	5,144	10.03
EBITDA	11,805	-
Total CAPEX ¹	2,304	4.49
Net Income Before Taxes	9,500	-
Taxes	2,338	4.56
After-tax free Cash Flow (unlevered)	7,162	-

TABLE 5: Capital Cost Estimates

TABLE 5: CAPITAL COST ESTIMATES				
AREA	DETAIL	INITIAL CAPEX (US\$000's)	SUSTAINING CAPEX (US\$000's)	TOTAL CAPEX (US\$000's)
Direct Costs	Mine Costs	224,294	546,407	770,701
	Process Plant	335,651	532,958	868,609
	Infrastructure	123,425	36,275	159,700

TABLE 5: CAPITAL COST ESTIMATES				
AREA	DETAIL	INITIAL CAPEX (US\$000's)	SUSTAINING CAPEX (US\$000's)	TOTAL CAPEX (US\$000's)
Indirect Costs		149,676	44,891	194,567
Owner's Costs		24,137	-	24,137
Land		10,000	82,152	92,152
Total CAPEX without Contingency		867,183	1,242,683	2,109,866
Contingency		109,794	84,605	194,399
Total CAPEX with Contingency		976,977	1,327,288	2,304,265

Geology

The Cactus Project is host to a large porphyry copper system that has been dismembered and displaced by Tertiary extensional faulting. The major host rocks are Precambrian Oracle Granite and Laramide monzonite porphyry and quartz monzonite porphyry. The mine trend features the formation of horst and graben blocks of mineralization where the Cactus West and Cactus East deposits are situated, extending southwest to the Parks/Salyer deposit. Drilling to the northeast and southwest along the trend indicates that mineralization continues in both directions and at depth at the Cactus West deposit.

Mineral reserve estimates are derived from the Measured and Indicated mineral resource estimate (MRE) prepared by ALS Geo Resources (see Company's press release dated September 16, 2025). Measured and Indicated mineral resources were converted to Proven and Probable mineral reserves based on design guidelines and applicable modifying factors and are shown in **TABLE 6**, **TABLE 7**, and illustrated in **FIGURE 4** below. For more details relating to the 2025 mineral resource estimate, please refer to the press release dated September 16, 2025, a copy of which is available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile and the Company's website (www.arizonasonoran.com).

TABLE 6: Cactus Project Mineral Reserve Estimates

Material Type	Tons kt	Grade CuT %	Grade Cu Tsol %	Contained Total Cu (k lbs.)	Contained Cu Tsol (k lbs.)	Contained Total Cu Short Tons	Contained Total Cu Tonnes
Proven							
Cactus West Open Pit	21,201	0.30	0.19	129,158	81,327	64,579	58,585
Parks/Salyer Open Pit	43,055	1.03	0.87	890,055	747,217	445,028	403,723
Total Proven	64,256	0.79	0.64	1,019,213	828,544	509,606	462,308
Probable							
Cactus West Open Pit	117,903	0.33	0.20	778,312	475,530	389,156	353,037
Parks/Salyer Open Pit	330,700	0.53	0.46	3,506,361	3,035,919	1,753,181	1,590,461
Total Probable	448,603	0.48	0.39	4,284,673	3,511,449	2,142,337	1,943,497
Proven + Probable							
Cactus West Open Pit	139,104	0.33	0.20	907,470	556,857	453,735	411,622
Parks/Salyer Open Pit	373,755	0.59	0.51	4,396,417	3,783,136	2,198,208	1,994,183
Total Proven + Probable	512,859	0.52	0.42	5,303,886	4,339,993	2,651,943	2,405,805

NOTES:

1. Mineral Reserves have an effective date of September 17, 2025. The Qualified Person for the open pit estimates of Parks/Salyer and Cactus West is Gordon Zurowski of AGP Mining Consultants Inc.
2. The Mineral Reserves were estimated in accordance with the CIM Definition Standards for Mineral Resources and Reserves;
3. The Mineral Reserves are supported by an open pit mine plan, based on designs and schedules, guided by relevant optimization procedures. Inputs to that process are:
4. Metal prices of Cu \$4.20/lb.
 - a. Processing costs which are variable and based upon material type, processing destination, copper grade, and copper recovery. Processing costs include a fixed unit cost component of \$1.50/t, a net acid consumption cost, and a \$0.33/lb. cost for refining and selling copper cathode.
 - b. General and administration cost of \$0.40/t processed.
 - c. Spatially variable royalty costs of 2.50%, 2.54% and 0.00% for Parks/Salyer and 2.54% for Cactus West
 - d. Process recoveries which are variable based upon total soluble copper grade (CU-AS + CU-CN).
 - e. Open pit geotechnical design criteria from Call and Nicholas Inc.
 - f. Open pit mining costs including an escalation factor with pit depth and variable base costs by material type to reflect differing blasting requirements.
5. No allowance for mining dilution or ore loss has been provided in the open pit mining inventories.
6. Ore/Waste delineation in open pit areas was based on a Block Value cut-off of \$0/t considering metal prices, recoveries, royalties, process, and G&A costs as per LG shell parameters stated above.
7. The life-of-mine (LoM) stripping ratio in tons is 3.3:1.
8. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

TABLE 7: Cactus Project Mineral Resource Estimates

Material Type	Tons kt	Grade CuT %	Grade Cu Tsol %	Contained Total Cu (k lbs.)	Contained Cu Tsol (k lbs.)	Contained Total Cu Short Tons	Contained Total Cu Tonnes
Total Leachable	101,500	0.91	0.79	1,853,400	1,605,800	926,700	840,700
Total Primary	29,900	0.42	0.05	251,000	30,200	125,500	113,800
Total Measured	131,400	0.80	0.62	2,104,400	1,636,000	1,052,200	954,500
Total Leachable	658,000	0.48	0.42	6,354,900	5,580,200	3,177,400	2,882,500
Total Primary	353,400	0.36	0.04	2,535,900	270,900	1,268,000	1,150,300
Total Indicated	1,011,400	0.44	0.29	8,890,800	5,851,100	4,445,400	4,032,800
Total Leachable	759,500	0.54	0.47	8,208,300	7,186,000	4,104,200	3,723,200
Total Primary	383,200	0.36	0.04	2,786,900	301,100	1,393,400	1,264,100
Total M&I	1,142,800	0.48	0.33	10,995,200	7,487,100	5,497,600	4,987,300
Total Leachable	95,100	0.40	0.34	760,900	653,400	380,500	345,200
Total Primary	138,400	0.34	0.04	947,100	121,500	473,600	429,600
Total Inferred	233,400	0.37	0.17	1,708,100	774,900	854,100	774,800

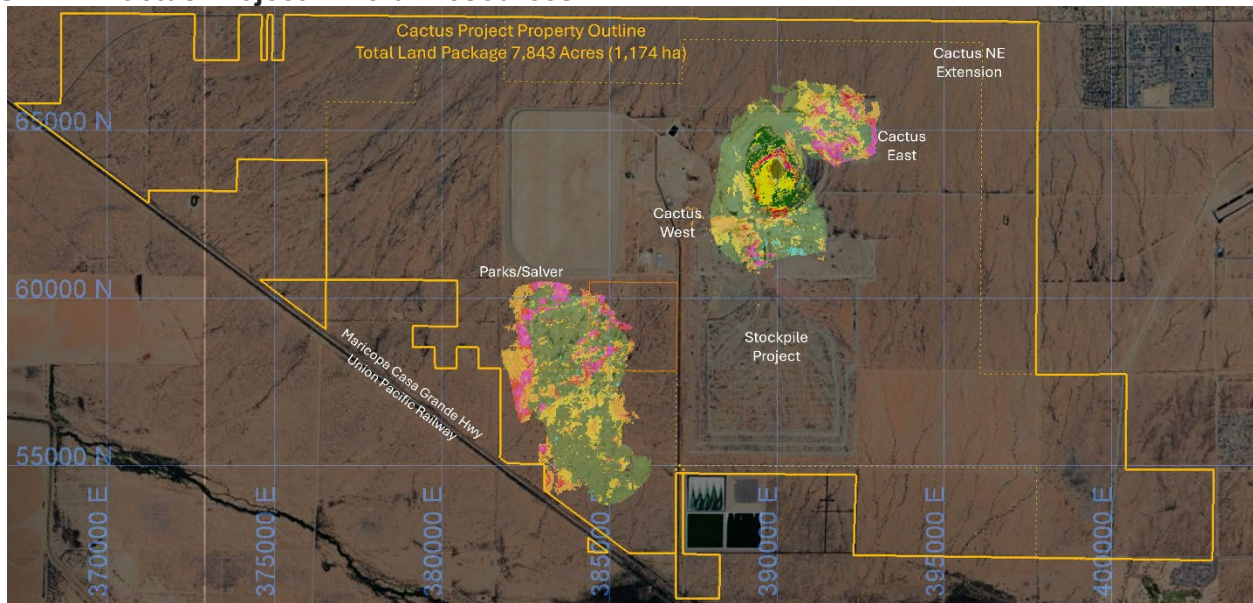
NOTES:

1. Mineral Resources are inclusive of Mineral Reserves.
2. Total soluble copper grades (Cu TSol) are reported using sequential assaying to calculate the soluble copper grade. Leachable material includes oxide and secondary enriched material types. Primary includes Primary Sulfide material. Tons are reported as short tons.
3. Stockpile mineral resource estimates have an effective date of March 1, 2022, Cactus West, Cactus East and Parks/Salyer mineral resource estimates have an effective date of September 16, 2025. All mineral resource estimates use a copper price of US\$4.20/lb.
4. Technical and economic parameters defining mineral resource conceptual pit shells: mining cost US\$2.43/t; G&A US\$0.55/t, 10% dilution, and 44°-46° pit slope angle.
5. Technical and economic parameters defining underground mineral resource estimates: mining cost US\$27.62/t, G&A US\$0.55/t, and 5% dilution. Underground mineral resource estimates are only reported for material located outside of the conceptual open pit mineral resource estimate shells. Designation as open pit or underground mineral resources are conceptual and not indicative of the mining method that may be employed at the mine design stage.
6. Technical and economic parameters defining processing: Oxide heap leach (HL) processing cost of US\$2.24/t assuming 86.3% recoveries, enriched HL processing cost of US\$2.13/t assuming 90.5% recoveries, sulphide mill processing cost of US\$8.50/t assuming 92% recoveries. HL selling cost of US\$0.27/lb.; Mill selling cost of US\$0.62/lb.
7. Royalties of 2.54% applies to the Cactus Project private lands and an assumed 2.50% applies to state lands. No royalties apply to the Parks/Salyer South (formerly, the MainSpring property).
8. Variable cut-off grades were reported depending on material type, conceptual mining method, potential processing method, and applicable royalties. For the Cactus Project private lands and state lands - Oxide conceptual open pit or underground material = 0.087% or 0.483% TSol respectively; conceptual enriched open pit or underground material = 0.081% or 0.459% TSol respectively; conceptual Primary Sulphide open pit or underground material = 0.197% or 0.600% CuT respectively. For Parks/Salyer South – conceptual Oxide open pit or underground material = 0.085% or 0.471% TSol respectively; enriched open pit or underground material =

0.079% or 0.447% TSol respectively; conceptual Primary Sulphide open pit or underground material = 0.192% or 0.585% CuT respectively. Stockpile cutoff = 0.095% TSol.

9. Mineral resources that 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 estimate are uncertain in nature and there is insufficient exploration to define these Inferred mineral resources as an Indicated or Measured mineral resource estimate; it is uncertain if further exploration will result in upgrading Inferred mineral resources to an Indicated or Measured classification.
11. Totals may not add up due to rounding.

FIGURE 4: Cactus Project Mineral Resources



Metallurgy

Metallurgical testwork used for the PFS shows good metallurgical recoveries from all deposits with no deleterious elements. Testing, including 20 additional columns, in the PFS shows an average of 75% of total copper extracted inclusive of heap efficiency factor of 95%. A column leach testing program for oxides and enriched sulphides, from Parks/Salver and Cactus West, is ongoing at BaseMet and McClelland labs (Tucson, AZ and Reno, NV, respectively).

Mine waste is primarily alluvium and Gila conglomerate with minimal acid generation potential and a high neutralization potential. As a result, the mine waste reclamation efforts will be streamlined.

Project Location and Infrastructure

The Cactus Project is a brownfield project located approximately 6 miles (10 kilometres) northwest of the city of Casa Grande and 40 road miles south-southwest of the Greater Phoenix metropolitan area in Arizona. The Greater Phoenix area is a major population centre (approximately 4.8 million people) with a major airport and transportation hub and well-developed infrastructure and services that support the mining industry. The Cactus Project is directly accessible by state highways and connected to interstate highway 10. During historic ASARCO operations (1974-1984), a rail spur was connected directly with the Union Pacific Railroad to ship concentrates to its El Paso refinery in Texas; while the spur has been removed, the onsite rail line is still in existence. Current onsite infrastructure includes power lines and substation, water

wells and a water pond, geological buildings, core sheds and administrative offices, contributing to a low capital intensity and robust economics.

Current onsite and nearby infrastructure includes:

- Onsite administration buildings, geology, core storage, substation and power lines, parking lot and access roads
- Power via onsite substation for \$0.06/kWh (current year average)
- Paved access roads and easy access to Interstate Highways I-8 and I-10
- Union Pacific railroad line adjacent to the Cactus Project
- Casa Grande, Maricopa, Phoenix and Tucson are all located nearby to supply materials/consumables in addition to a skilled labour pool
- Adequate permitted groundwater available onsite, with potential for offsetting effluent water supply from the City of Casa Grande
- Flat land and low altitude
- Located adjacent to the City of Casa Grande industrial area

The Cactus Project will require the onsite facilities listed below, with no offsite infrastructure needed:

- Mining facilities include a truck shop with integrated mine engineering offices, truck wash, tire change station, heavy vehicle fuel station, light vehicle fuel station, and explosives storage
- Process facilities include the crushing facilities, SXEW process plant, reagents storage, process plant maintenance workshop, process plant lab, warehouse, and freshwater infrastructure
- Heap leach pads, PLS and Stormwater ponds, and associated equipment
- Power supply, distribution, and associated electrical rooms
- Ancillary facilities include process plant mine services guardhouses, administration trailer, maintenance structures, and weighing scale
- Catchments, ponds, drainage, and other site water management infrastructure
- The location of site facilities was based on the following criteria:
 - Locate facilities within the established boundaries
 - Minimize initial capital by using existing facilities, topography and infrastructure, where possible
 - Comply with Code of Federal Regulations (CFR) Title 14 Part 77: Safe, Efficient Use, and Preservation of the Navigable Airspace, for potential obstructions near Casa Grande Municipal Airport
 - Locate the rock storage facilities near the mine pits to reduce haul distance

Permitting and Social License

The Cactus Project is 100% owned by ASCU through its wholly-owned subsidiary Cactus 110, and encompasses an area of approximately 7,843 acres. The Cactus Project includes exploration and mining on private land and Arizona State Land Department ("ASLD") leases. There is no federal nexus for permitting the Cactus Project and all permitting is limited to State and local required permits including the Aquifer Protection Permit, Industrial Air permits and the Mined Land Reclamation Permit, each of which ASCU has already received from regulators pertaining to the 2021 PEA. Permitting amendments will be submitted to address changes in the mine plan presented in this PFS, with an expected completion date in 2H 2026.

In keeping with ASCU's community engagement and partnership standards, the Cactus Project will be developed with a plan to establish and maintain the support of its host communities. ASCU commenced community outreach at the earliest stages of the Project and is currently evaluating and building

partnerships within the community. ASCU understands the importance of outreach during its development and throughout the life of the mine. ASCU is encouraged by the positive response to the Project from the community. Its status as a “brownfields” project makes it potentially more appealing than a new mine might be.

ASCU has a well-developed community engagement plan that it has implemented through numerous public meetings and outreach. With the presence of legacy mining in the Casa Grande area, the local community is supportive of the Cactus Project. There is no known significant opposition to the Cactus Project.

Royalties

The Cactus Project mineral reserves are subject to three NSR royalties that apply to approximately 78% of all ore tons in the PFS mine plan. Parks/Salyer South is not subject to any royalties. The Royal Gold and Elemental Altus NSR royalties that apply to Cactus West and a portion of Parks/Salyer total 2.54%. On a portion of the Parks/Salyer deposit, Bronco Creek Exploration Inc. holds a 0.5% NSR royalty, and ASLD holds a sliding royalty (2.0% to 8.0% and estimated at 2%), payable to the Arizona State Trust. Royalty percentages with ASLD will be formalized once the Cactus Project submits a Mineral Development Report to ASLD for conversion of the existing Mineral Exploration Permit to a Mineral Lease.

Project Financing

ASCU appointed Hannam & Partners (“H&P”) in June 2025, to assist the Company with securing the debt project financing for the Cactus Project. The Company and H&P are well underway in the process and advancing discussions with tier 1 lenders in the mining space. With an interest in obtaining low cost of capital debt for the Cactus Project, the Company began well ahead of the PFS completion, and in anticipation of a targeted financing completion date as early as the second half of 2026.

Opportunities and Next Steps

The Cactus Project is reviewing several stand-alone opportunities for further optimization of the operation, including:

- **Mine Expansion**
 - Exploration opportunities at Cactus West, Cactus East, Northeast Extension and Gap Zone
 - North, Southwest and beneath the Cactus West pit between Cactus East and Cactus West
 - Options for Cactus East development
 - Options for late stage LoM primary sulphide inclusion (including leaching and flotation technologies)
- **Water** - Opportunity to purchase Class A effluent, reducing dependence on higher cost ground water
- **Power** - Alternative power supply options
- **Geotechnical and Hydrogeology**
 - Continued definition and optimization of pit engineering in the Gila Conglomerate.
 - Definition at some zones of Parks/Salyer open pit are areas of study that could improve its economics.
- **Mining Methods**
 - Material handling solutions including the potential for trolley assist for haulage, battery trucks, waste sizing/stacking systems, etc., could lower overall operating costs per ton and also per pound of copper produced. These are expected to be further detailed in the DFS.

- **Infrastructure**

- Project water use includes a high demand for dust suppression. It is possible to reduce the use of water by adding surfactants, gravel, or pavement to reduce dust from the roadways. This should be evaluated as a way to minimize the environmental impact and preserve water resources
- Use of local railroad for delivery of reagents
- Use of in-pit crush conveying (IPCC) of waste reduces mine operating costs
- Options for the use of a near-pit crush and convey (NPCC) solution for waste rock transport and stacking.

Quality Assurance and Quality Control Procedures

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 (SOP) 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 qualified team of individuals at ASCU and the qualified persons.

Qualified Persons

Each of the persons listed below are authors of the PFS and have reviewed and verified the scientific and technical information contained in this MD&A as it relates to their respective specified areas of responsibility. By virtue of their education, experience and professional association membership, each of the below listed persons are considered "qualified person" as defined by NI 43-101.

Project Management, Roger Rivers, PE, M3 Engineering

Metallurgy, Laurie Tahija, QP-MMSA, M3 Engineering

Mineral Resources, Allan L. Schappert, CPG, SME-RM, ALS GeoResources LLC

Water and Environmental, R. Douglas Bartlett, CPG, PG. Clear Creek Associates, a subsidiary of Geo-Logic Associates

Mine Planning, Gordon Zurowski, P.Eng., AGP Mining Consultants Inc.

Nuton® Technology, Jim Sorensen, FAusIMM, Samuel Engineering

Permitting

The Project is situated on private land and will require the following major permits and certifications:

1. Arizona Department of Water Resources ("ADWR")'s Withdrawal of Ground Water for Mineral Extraction & Mineral Processing Permit: This permit is required for ground water withdrawal for mining operations. This permit was obtained in April 2021 and extends for 50 years, which is beyond the life of the Project.
2. The ADEQ's Aquifer Protection Permit ("APP"): This permit is required for owners or operators of facilities that could discharge a pollutant directly to an aquifer or to a land surface or vadose zone

where there is a reasonable probability that the pollutant will reach an aquifer. The permit is valid for the life of the facility. This permit was obtained for the Stockpile in July 2021 and becomes effective upon demonstration of financial capability submitted along with an amendment application in respect of the full Project. The Project will require a second amendment based on the re-scoped operations under the 2024 PFS.

3. Pinal County's Air Quality Control Permit: This permit is required for operations that have the potential to generate fugitive dust. This permit was obtained in January 2020 and is renewed yearly based on operational needs.
4. ADEQ's Arizona Pollutant Discharge Elimination System ("AZPDES") Permits (construction and Multi-Sector General Permit): This permit is for stormwater discharges that enter Arizona surface waters or a Municipal Separate Storm Sewer System. This permit was obtained for both the mine facility and the nearby TruStone facility which is situated on Project property.
5. Pinal County's Industrial Air Quality Control Permit: This permit is required for operations that have the potential to generate particulate matter PM10 and/or PM2.5 that can affect air quality. This permit is renewed yearly and was received in May 2023. Pending the 2025 PFS mine plan, an amendment will be required. See "Company Highlights – Year to date 2025 – Exploration Updates" and news release dated May 15, 2023, for details on the permit received.
6. Arizona State Mine Inspector, Mined Lands Reclamation Permit: This permit relates to all metalliferous mining units and exploration operations with surface disturbances on private lands greater than five acres and has been received by the Project. Based on the pending 2025 PFS mine plan, an amendment may be required. This permit was received in March 2023. See "Company Highlights – Year to date 2025 – Exploration Updates" and news release dated April 3, 2023, for details on the MLRP permit received.

In addition, the United State Army Corp. Of Engineers ("USACE") Jurisdictional Determination 404 was received in February 2022. This is a determination as to whether Waters of the U.S. ("WOTUS") are onsite or if the water on site contributes to a WOTUS waterway. USACE determined that the Project does not impact WOTUS, and therefore no Federal Permitting will be required. The Project continues to make good progress on its permitting process and will continue to advance required applications.

RESULTS OF OPERATIONS

<i>For the periods ended</i>	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Expenses				
Salaries and wages	\$ 287	\$ 246	\$ 867	\$ 731
Share-based compensation	287	560	1,017	1,402
Professional fees	276	183	554	474
Directors' fees	138	143	436	450
Marketing and administration	384	362	1,160	862
Loss before other items	1,372	1,494	4,034	3,919
Other expenses/(income)				
Accretion	232	313	412	912
Finance expenses (income) and foreign exchange	817	(27)	117	206
Depreciation and amortization	(15)	16	13	49
Interest income	(300)	(102)	(818)	(409)
Incentive plan expense (gain)	382	147	914	(100)
	1,116	347	638	658
Loss and comprehensive loss for the period	\$ 2,488	\$ 1,841	\$ 4,672	\$ 4,577

For the three and nine-months ended September 30, 2025, as compared to the same periods ended September 30, 2024

During the quarter ended September 30, 2025, the Company had a loss of \$2.5 million compared to a loss of \$1.8 million for the quarter ended September 30, 2024, increasing primarily due to foreign exchange losses and finance expenses. The Company had a loss of \$4.7 million for the nine-month period ended September 30, 2025 compared to \$4.6 million for the same period in 2024.

During the three-months ended September 30, 2025, the total loss from operational expenses was \$1.4 million compared to \$1.5 million in Q3/2024. The decrease was due to the Company incurring less share-based compensation expenses in Q3/2025. For the nine-month period ended September 30, 2025, the Company had a total loss from operational expenses of \$4.0 million compared to \$3.9 million for the same period in 2024. The increase in the nine-month period is largely investor relations activities in the second in 2025, offset by lower share-based compensation expenses.

The Company's loss from other items totaled \$1.1 million compared to \$0.3 million for the three-months ended September 30, 2025 and 2024, respectively. A significant portion of the increase is due to higher foreign exchange losses, higher incentive plan expenses, offset by lower accretion and higher interest income earned on surplus funds. The Company's loss was \$0.6 million for the nine-months ended September 30, 2025 and \$0.7 million during the same period ended September 30, 2024, a decrease of \$0.1 million. The Company incurred higher incentive plan expenses compared with gains in 2024, offset by higher interest income and lower accretion expenses.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company and is derived from, and should be read in conjunction with, the respective unaudited interim condensed financial statements.

Period	Revenues \$ (000's)	Loss for the period \$ (000's)	Loss per share (basic and diluted) \$
3rd Quarter 2025	Nil	2,488	0.01
2nd Quarter 2025	Nil	303	0.00
1st Quarter 2025	Nil	1,589	0.01
4th Quarter 2024	Nil	2,863	0.02
3rd Quarter 2024	Nil	1,841	0.02
2nd Quarter 2024	Nil	1,323	0.01
1st Quarter 2024	Nil	1,413	0.01
4th Quarter 2023	Nil	2,383	0.02

The Company is at an advanced exploration stage of the Project advancing technical studies and improving mineral resources and mineral reserves. Its quarterly information is expected to vary based on the overall general and administrative expenditures, and to a lesser extent, exploration activities such as expenditures on mineral properties which are generally capitalized. The principal cause of fluctuations in the Company's quarterly results is the expenditure level on exploration and development projects, which directly impacts the Company's general and administrative costs. Factors generally causing significant variations in results between quarters include salary and wages costs, share-based compensation, accounting gains and foreign exchange gains/losses. See operating results, above, for discussion of movement in net loss and comprehensive loss for the quarter ended September 30, 2025, as compared to the same period in 2024.

RISKS AND UNCERTAINTIES

Like all mineral exploration and development companies, ASCU and its subsidiaries also continue to be subject to ongoing risks and uncertainties and other factors, which among others, include: dependence on the success of the Project as the principal operation of the Company; changes in exploration, development or mining plans due to exploration results and/or changing budget priorities of Arizona Sonoran and its subsidiaries, or its joint venture partners; risks relating to the implementation and cost relating to the Nuton™ technologies; reliance on the availability of funding from third parties or partners; climate change; impact of obtaining access to water; estimates of capital cost and operating costs may be lower than actual costs; errors in geological modelling or changes in any of the assumptions underlying the 2025 PFS; obtaining further financing to fund anticipated exploration and development work; international conflict in the Ukraine and the Middle East and their effects on global financial markets and supply chains; and other liquidity risks (see also "*Financial Accounting and Reporting Processes*") and "*Risk Factors*" in the Company's AIF.

The following *Risks and Uncertainties* pertain to the outlook and conditions currently known to ASCU that could have a material impact on the financial condition of the Company. A discussion of these and other factors that may affect the Company's actual results, performance, achievements, or financial position is contained under the heading "*Risk Factors*", as well as the Cautionary Statements at the end of this MD&A, and elsewhere in the Company's AIF and other public disclosure. Such factors include, but are not limited to political risks, title risks, commodity prices, exchange rate risks, permitting risks, operating and environmental hazards encountered in the exploration, development and mining business and changing laws and public policies.

Current and prospective security holders of ASCU should carefully consider these risk factors. Should the development of the Project not be possible or practicable for any reason, the business and financial position of the Company would be materially adversely affected.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2025, the Company's cash balance was \$44.4 million (December 31, 2024 - \$31.7 million) and working capital of \$35.1 million (December 31, 2024 - \$23.4 million). As of November 6, 2025, the Company had cash of approximately \$40.8 million.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations in the future. The Company currently has no source of revenue and has significant cash requirements to fund its development project capital requirements, exploration programs, administrative overhead, and to maintain its mineral properties in good standing.

The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The unaudited interim condensed consolidated financial statements were prepared on a going concern basis and do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and the consolidated statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material.

The Company has incurred significant operating losses (a net loss of \$4.7 million for the nine-month period ended September 30, 2025) and has yet to achieve profitable operations resulting in an accumulated deficit of \$46.2 million as at September 30, 2025. The Company had \$44.4 million of cash as at September 30, 2025 (December 31, 2024 - \$31.7 million) and working capital of \$35.1 million (December 31, 2024 - \$23.4 million). Based on the Company's liquidity position as at September 30, 2025, management has forecasted its cash flow requirements and believes that it has sufficient cash resources to support its planned committed operations for the next twelve months from September 30, 2025. The Company has further discretionary exploration and development activities which, if undertaken, are expected to result in the Company needing to obtain further financing in the form of debt, equity, or a combination thereof before September 30, 2025. Notwithstanding the Company's recent financings and historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all.

The Company closed multiple financings in 2025 noted below in the "Financing Activities", however the Company may need to obtain financing in the form of debt, equity, or a combination thereof to continue with its planned non-discretionary and discretionary operational activities. Notwithstanding the Company's recent and historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all. While the Company currently expects to raise additional funds to fund ongoing operations and its commitments in the near-term to continue exploration and development activities.

The Company's capital consists of debt and equity, which includes share capital, reserves and deficit. The Company's objectives are to maximize shareholder returns and share value by ensuring sufficient financial flexibility to achieve its ongoing business objectives including funding of future growth opportunities and future potential accretive opportunities.

The Company manages its capital through its budgeting and forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investment and financing activities.

To achieve its objectives, the Company may issue new shares, adjust capital and operating expenditures and acquire additional property. There is no assurance that these initiatives will be successful.

Operating Activities

During the nine-month period ended September 30, 2025, the cash used in operating activities was \$1.6 million (June 30, 2024 – cash used in operating activities - \$7.8 million).

Investing Activities

The Company's cash used in investing activities for the nine-month period ended September 30, 2025 was \$44.5 million (June 30, 2024 - \$11.3 million) primarily spent in connection with exploration and evaluation expenditures on mineral properties and property option and land payments.

Financing Activities

In the nine-month period ended September 30, 2025, the Company's cash provided by financing activities was \$58.1 million (June 30, 2024 - \$19.6 million) primarily consisting of the equity financings detailed below.

On January 31, 2025, the Company closed a private placement with Hudbay Minerals Inc. ("Hudbay") of 11,955,270 common shares in the capital of the Company at a price of C\$1.68 per common share, for gross proceeds to the Company of C\$20.1 million (\$13.8 million). Additionally, Nuton exercised its pre-emptive rights in respect of the Hudbay placement, pursuant to the terms of its Investor Rights Agreement, to maintain its 7.2% equity interest in the Company by acquiring 929,887 common shares of the Company for gross proceeds of C\$1.6 million (\$1.1 million).

On June 20, 2025, the Company announced that it had closed its bought deal financing of 25,875,000 common shares in the capital of the Company at a price of C\$2.00 per common share, for gross proceeds to the Company of C\$51.8 million (\$37.7 million), initially announced on June 2, 2025. The offering was underwritten on a "bought deal" basis by a syndicate of underwriters.

On July 10, 2025, the Company closed a non-brokered private placement financing in respect of the exercise by Hudbay of its pre-emptive rights under its Investor Rights Agreement relating to the June 2025 Offering. Hudbay subscribed for 2,907,612 common shares of the Company at a price of C\$2.00 per common share for aggregate gross proceeds to the Company of C\$5.8 million (\$4.3 million).

Use of Proceeds

The use of proceeds of the October 2024 Offering and reconciliation as of nine-months ended September 30, 2025 (in U.S. dollars), is summarized as follows:

Principal Purposes	Previously Disclosed	Incurred as at September 30, 2025	Remaining
Exploration and Drilling	\$ 10,000,000	\$ 10,558,000	(\$ 558,000)
Mine Design and Scheduling	4,200,000	3,203,000	997,000
Metallurgical Test Work	3,000,000	1,317,000	1,683,000
Technical Studies & Project Support	3,200,000	3,054,000	146,000
Working Capital and General Corporate Purposes	400,000	2,668,000	(2,268,000)
Total	\$ 20,800,000	\$ 20,800,000	\$ -

The Company's activities following the October 2024 Offering were focused on expenditures to support the 2025 PFS. The exploration team's 2025 upgraded the inferred mineral resource as defined by the 2024 PEA to the indicated category in the 2025 PFS detailed above.

The use of proceeds of the June 2025 Offering and reconciliation as of quarter ended September 30, 2025 (in U.S. dollars), is summarized as follows:

Principal Purposes	Previously Disclosed	Incurred as at September 30, 2025	Remaining
Royalty Buy-down	\$ 8,900,000	\$ 8,900,000	\$ -
Land Acquisition	2,000,000	2,105,338	(105,338)
Technical Studies & Project Support	13,100,000	5,182,000	7,918,000
Working Capital and General Corporate Purposes	6,900,000	973,000	5,927,000
Total	\$ 30,900,000	\$ 17,160,338	\$ 13,739,662

The Company's activities following the June 2025 Offering were focused on expenditures for royalty buy-downs and land acquisition in support of the 2025 PFS plan, and commencement of infill drilling for the upcoming DFS.

RELATED PARTY TRANSACTIONS

As at September 30, 2025, no material amounts were owed to or from the Company by key management personnel (December 31, 2024 – Nil).

The remuneration of the key executive management and directors was as follows:

	September 30, 2025	September 30, 2024
Salaries and wages	\$ 838	\$ 1,119
Salaries and wages capitalized as exploration	309	456
Share-based compensation*	685	623
Directors' fees	436	450
	\$ 2,268	\$ 2,648

*Share-based compensation includes shares issued for services, stock options and restricted share units ("RSUs").

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenditures during the periods reported. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. However, actual results could differ materially from these estimates.

In preparing the interim financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2024, except as noted below.

Discount rate for deferred land acquisition payments liability

Management's determination regarding the Company's market rate of interest on the deferred land acquisition payments liability involves significant judgment regarding the Company's estimation of future debt and cash flows of the related vendor loans. The Company has estimated its market rate of lending to be 9.12% based on Secured Overnight Financing Rate ("SOFR") data and publicly available peer transactions.

FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments as at September 30, 2025 consist of cash, the Nuton Option, accounts payable, accruals, other short and long-term liabilities. For those financial assets and financial liabilities that are not measured at their fair value, the carrying values approximate their fair values.

Management of Financial Risk

Currency risk

The Company is exposed to financial risk due to changes in foreign exchange rates. The Company operates in the United States and Canada, and a portion of its expenses are incurred in Canadian dollars. A significant change in the exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. As at September 30, 2025, the Company is exposed to currency risk through its cash and cash equivalents denominated in Canadian dollars totaling \$53.0 million.

Based on the exposure as at September 30, 2025, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase/decrease of approximately \$3.8 million in the Company's loss for the nine-month period.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and cash equivalents and receivables.

The Company's cash is held in large Canadian and U.S. financial institutions. The Company does not deem that it has significant credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements by taking into account anticipated cash expenditures for its exploration and operational activities. The Company will pursue additional equity or debt financing as required to meet its long-term commitments. There is no assurance that such financing will be available or that it will be available on favorable terms. See Description of the Business (Note 1).

As at September 30, 2025, the contractual undiscounted future cash flows of the Company's significant financial liabilities are as follows:

	< 6	6 – 12	1 - 2	Total cash flows at September 30, 2025
	months	months	years	
Financial liabilities at fair value:				
DSU liability	-	-	1,586	1,586
Financial liabilities at amortized cost:				
Accounts payable	2,641	-	-	2,641
Accruals	1,259	-	-	1,259
Nuton deposit	-	-	11,843	11,843
Other current liabilities	121	5,935	-	6,056
Other long-term liabilities	-	-	86,097	86,097
	4,021	5,935	99,526	109,482

As at September 30, 2025, the carrying values of all financial assets and financial liabilities approximate their fair value. In the event that change of control occurs, such that the Nuton OTJV is terminated, the Company will have to repay the \$10 million Option Exclusivity Payment.

The Option Exclusivity Payment is considered a level 3 instrument in the fair value hierarchy as one or more of the significant inputs is not based on observable market data. This is the case for unlisted instruments where risk could give rise to a significant unobservable adjustment.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no material new or amended accounting standards that are effective for reporting periods beginning on or after January 1, 2025 affecting the Financial Statements.

COMMITMENTS AND CONTINGENCIES

The Company has future exploration and evaluation expenditure obligations with respect to its land agreements:

Trust Lands

- Based on the achievement of certain development milestones, the Company is obligated to make future payments to TAGC Ventures LLC of up to \$750 in connection with the purchase of Trust lands.

LKY

- The final \$5.0 million is due for the 2022 LKY land purchase due on or before the fifth anniversary of the closing date on February 10, 2027.

Nuton

- In the event that change of control occurs, such that the Nuton OTJV is terminated, the Company will have to repay the \$10 million Option Exclusivity Payment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

AUTHORIZED AND ISSUED SHARE CAPITAL

As at November 6, 2025, the Company had 179,712,984 outstanding common shares. The Company also had 7,909,778 share purchase options, 1,024,173 restricted share units and 713,937 deferred share units outstanding.

NON-IFRS PERFORMANCE MEASURES

This MD&A contains certain non-IFRS performance measures, including Capex, sustaining capital/capex, sustaining costs, EBITDA, C1 cash costs, free cash flow, AISC and AIC. 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 or expected 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.

Non-IFRS financial measures used in this MD&A and common to the copper mining industry are defined below.

C1 Cash Cost and Total Cash Operating Cost: C1 cash cost and Total Cash Operating Cost are reflective of the cash cost incurred at each processing stage, from mining through to recoverable copper delivered to the market, net of any by-product credits, including mine operating, process plant operating, and general and administrative costs.

All-in Sustaining Costs ("AISC"): AISC is reflective of all of the expenditures that are required to produce a pound of copper from operations. AISC reported in the PFS includes total cash costs, sustaining capital, expansion capital and closure costs, but excludes corporate general and administrative costs and salvage.

All-in Costs ("AIC"): is AISC including taxes and initial capital costs.

Free Cash Flow or FCF: Free cash flow is net cash flow provided from operating activities less attributable capital expenditures.

Initial Capital and Sustaining Capital Expenditures: Capital expenditures are classified as either sustaining capital expenditures or non-sustaining capital expenditures, depending on the nature of the expenditure. Sustaining capital expenditures typically represent capital expenditures including ongoing replacement of mine equipment and other capital facilities and other capital expenditures and is calculated as total additions to property, plant and equipment (as reported on the interim condensed consolidated statements of cash flows), less non-sustaining capital expenditures. Non-sustaining capital expenditures represent capital expenditures for major projects, including development costs of the Cactus Project.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting during the period ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

CAUTIONARY STATEMENTS ON FORWARD-LOOKING STATEMENTS AND OTHER MATTERS

Forward-Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A (together with the accompanying financial statements for the same period, "Q3 2025 Financial Disclosure") constitute "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation. Forward-looking statements are made as of the date of the Q3 2025 Financial Disclosure or as of the date of the effective date of information described in the Q3 2025 Financial Disclosure, as applicable. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "advance", "assumptions", "becomes", "accretive", "anticipates", "believes", "budget", "can", "commitments", "contingency", "continue", "contribute", "could", "define", "demonstrates", "develop", "development", "discretionary", "emerging", "envisages", "estimate", "expected", "exploration", "extend", "eventual", "feasibility", "focused", "following", "forecasted", "foreseeable", "forward", "future", "further", "going", "growth", "if", "indicated", "indicator", "initial", "initiate", "initiatives", "intended", "liabilities", "liquidity", "long-term", "looking", "may", "milestones", "model", "MRE", "nearing", "near-term", "needs", "next", "objectives", "ongoing", "on track", "opportunities", "optimizing", "option", "outlook", "pending", "phase", "plan", "potentially", "preliminary", "probable", "programs", "progress", "projects", "proposed", "recoveries", "resource", "rights", "risk", "schedule", "study", "subject to", "sustaining", "targeting", "timeline", "to be", "testing", "trend", "uncertainties", "upgrade", "will", or "would", variations of such words, and similar such words, comparable terminology, 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 statements 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 those relating to include those relating to the results of the 2025 Pre-Feasibility Study (or 2025 PFS) and other ongoing and future technical studies (including any Definitive Feasibility Study or DFS) and workstreams, and the continuation, completion, execution, results, and opportunities and next steps, and implications of such studies or workstreams (including any implementation thereof), and timing thereof (including Cactus Project economics and other key metrics and estimates (including net present value (or NPV), internal rate of return (or IRR), free cash flows (or FCF), EBITDA, revenues, margins, costs (including cash costs (or C1 costs), AISC, AIC, Opex (including power and mining costs) and Capex), capital intensity, production profile, life-of-mine (or LOM), mine and processing plans, benefits to the local community and Arizona economy) and the evaluation thereof); filing of the Technical Report in respect of the 2025 PFS and timing thereof; mineral resources and mineral reserves (or MRE) generally (including modelling thereof, ore and contained copper tonnage, grade estimates, recoveries, and applicable royalties), and any realization thereof (including mining and processing methods); de-risking of the Cactus Project; conceptual pit shells; the 2024 Preliminary Economic Assessment (or 2024 PEA) and the results thereof (including returns and other economics), the entirety of which has have been superseded by the 2025 PFS; any final investment decision (including the timing, outcome and any implications thereof); project financing (including plan and timeline for advancing and securing financing for any construction and development of the Cactus Project, and the timing of completion and outcome thereof including availability, potential sources, structure, tenor, cost and other terms, and basis therefor); Nuton® technology, ongoing related studies (including the results thereof) and any related opportunities for the Cactus Project (including any deployment of such at the Cactus Project and the timing, terms, and impact or other implications thereof); continuation of the Company as a going concern; future cash flow requirements and sufficiency of current cash resources to support planned committed (or other future operations) for the next 12 months from September 30, 2025; need for and availability of any additional financing (including the terms and sufficiency thereof); discretionary exploration and development activities and funding thereof (including any need to obtain further financing therefor and form or composition thereof); financial flexibility (and sufficiency thereof) to achieve the ongoing business objectives (including funding of future growth opportunities, pursuit of accretive opportunities, and to maximize shareholder return through enhancing the share value); use of proceeds

from the June 2025 Offering and/or the July 10, 2025 private placement to Hudbay Minerals; the Company's objectives, expectations, strategies and plans for the Project or otherwise (including as described in this MD&A under "The Project" and "Outlook") and the results thereof; the economics and opportunity represented by the Project; 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 timing, receipt and maintenance or renewal of approvals, determinations, licenses and permits from applicable government, regulatory or administrative agencies or other such bodies (including continuing determination that the Project does not impact WOTUS and, therefore, no Federal permitting will be required); the acquisition of landholdings to advance and/or develop the Project (including purchases of surface rights from the State); future financial or operating performance, condition of the Company and its business, operations and properties, and related risk (including any assessments and/or statements thereof); the need for and occurrence of any future equity, debt or other financings, adequacy of funds therefrom and uses thereof (including support completion of the continued development of the Project and commence commercial production); any upside in value and/or delivered back to shareholders, sustainability and risk; the Company's objectives, future plans or prospects of the Company. 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 the Q2 2025 Financial Disclosure which may prove to be incorrect include those related to: favorable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the development of the Project (including pursue planned studies, exploration and other technical work); future prices of copper and other metal prices; the timing and results of exploration and drilling programs; the compliance by partners to abide by the terms of agreements; the accuracy of any mineral resource and reserve estimates; the geology of the Project being as described in relevant technical documents; the metallurgical characteristics of the Project being suitable for processing; the accuracy and completeness of 2025 PFS; budgeted exploration and development costs and expenditures, including to complete development of the infrastructure at the Project; the ability to acquire additional lands, on amenable terms, as and when needed for development of the Project; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favorable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the ability to receive and maintain governmental and third party approvals, licenses and permits on favorable terms; obtaining and maintaining necessary approvals, licenses and permits (including any renewals thereof) on favorable terms; sustained labor stability; and stability in financial and capital goods markets; availability of equipment; and those stated elsewhere in the Q3 2025 Financial Disclosure, as well as in the Company's press releases referenced in the Q3 2025 Financial Disclosure (the "Referenced Press Releases"), the Company's Annual Information Form dated March 27, 2025 (the "AIF"), Management's Discussion and Analysis (together with the accompanying financial statements) for the first quarter of 2025 and the prior financial year ended December 31, 2024, and the individual quarters of such prior year, (collectively, the "Prior 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 Q3 2025 Financial Disclosure, the Referenced Press Releases and the Prior Financial Disclosure, as well as: the accuracy of the 2025 PFS

and any other ongoing and future technical studies (including any DFS) and workstreams, and results and implications thereof (including Project scope, plans and economics) not being consistent with prior studies (including the 2024 PEA) or any eventual actual results, or otherwise not meeting expectations; the accuracy of the mineral resource and mineral reserve estimates (or MRE) for the Cactus Project (including related modelling) and the Company's analysis thereof, and such estimates, modelling and analysis, not being consistent with actual results or otherwise not meeting expectations (including ore and contained copper tonnages, grade, recoveries and applicable royalties), and future mineral resource and mineral reserve estimates (or MRE) for the Cactus Project not being consistent with the mineral resource and mineral reserve estimates (or MRE) reported in and relied upon in the 2025 PFS (see also further cautionary statements below under the heading "Mineral Resource Estimates"); the Company not securing project financing for the Cactus Project on the anticipated or an otherwise acceptable timeline, or on acceptable terms, or at all, and the consequences thereof (including inability to make payments under the Vendor Loans, on time or at all, and on making and the outcome of any final investment decision and timing thereof, if any decision at all); the inability to make the remaining payment under the 2022 and/or 2025 land purchase loans; the Company not otherwise being able to obtain further financing on acceptable terms and continue as a going concern; the Company's reliance on the availability of funding from third parties or partners; Nuton® technology (including ongoing related studies) not demonstrating sufficient efficacy for, not proving feasible for application at, and/or not being available on amenable terms to, the Cactus Project and/or any eventual deployment of such technology at the Cactus Project not ultimately being successful (including the results, timing, costs and economics and other impact or implications thereof not meeting expectations) or not being deployed at all for any reason, copper prices are volatile and may be lower than expected; changes in exploration, development or mining plans due to exploration results and/or changing budget priorities of ASCU or any of its joint venture partners from time to time; reliance on appropriate governmental authorities to obtain, renew and maintain the necessary permits for the Project; estimates of capital cost and operating costs may be lower than actual costs; errors in geological modelling or changes in any of the assumptions, estimates and expectations underlying 2025 PFS; 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; 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; reduction in share prices due to global financial conditions; outbreaks of diseases and public health crisis; and international conflict, geopolitical tensions or war. 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 Q3 2025 Financial Disclosure, the Referenced Press Releases, the Prior Financial Disclosure and other Company Disclosure. 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 statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. 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. Forward-looking statements contained herein are made as of the date of the Q3 2025 Financial Disclosure (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. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements referenced or contained in the Q3 2025 Financial Disclosure are expressly qualified by these Cautionary Statements as well as the Cautionary Statements in the AIF, the Referenced Press Releases, the Prior Financial Disclosure and other Company Disclosure.

Mineral Resource Estimates

Mineral resources include mineral reserves. Until mineral deposits are actually mined and processed, copper and other mineral resources (which include mineral reserves) 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 (including mineral reserves) 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 (including mineral reserves) 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 (including mineral reserves) 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 reserve”, “proven mineral reserve”, “probable mineral reserve”, “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 (including mineral reserves) for the Cactus 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 (including mineral reserves) for the Cactus 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.

Preliminary Economic Assessments

The preliminary economic assessment (or 2024 PEA), as summarized the related technical report,

referenced in the Q3 2025 Financial Disclosure is only a conceptual study of the potential viability of the Project and the economic and technical viability of the Project has not been demonstrated. The 2024 PEA was preliminary in nature and provided only an initial, high-level review of the Cactus Project's potential and design options. **The 2024 PEA has been superseded in its entirety by the 2025 PFS.**

APPROVAL

The Audit Committee on behalf of the Board of Directors of Arizona Sonoran Copper Company Inc. has approved the disclosure contained in the Q3 2025 Financial Disclosure.