



ARIZONA SONORAN COPPER COMPANY INC.

ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025

March 30, 2026

TABLE OF CONTENTS

INTRODUCTORY NOTES	2	Economic Summary.....	40
Cautionary Statement Regarding Forward- Looking Information and Other Matters.....	2	Sensitivity Analysis	41
Non-IFRS Financial Performance Measures	6	Adjacent Properties.....	41
Currency and Exchange Rate Information.....	6	Conclusions and Interpretations.....	42
Technical Terms and Abbreviations	7	Recommendations.....	42
CORPORATE STRUCTURE	9	RISK FACTORS	42
The Company.....	9	DIVIDENDS OR DISTRIBUTIONS	58
Intercorporate Relationships	9	DESCRIPTION OF CAPITAL STRUCTURE...59	
DESCRIPTION OF THE BUSINESS	10	Common Shares.....	59
General.....	10	MARKET FOR SECURITIES.....59	
Business Strategy.....	10	Trading Price and Volume	59
Specialized Skills and Knowledge.....	10	Prior Sales - Securities Not Listed or Quoted on a Marketplace	60
Competitive Conditions	10	DIRECTORS AND OFFICERS.....60	
Economic Dependence and Components.....	11	Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....	66
Business Cycles	11	Conflicts of Interest	67
Environmental Protection	11	AUDIT COMMITTEE.....67	
Employees.....	11	The Audit Committee's Charter	67
Foreign Operations	12	Composition of the Audit Committee.....	68
GENERAL DEVELOPMENT OF THE BUSINESS.....	12	Relevant Education and Experience	68
Events Subsequent to 2025	12	Pre-Approval Policies and Procedures.....	68
2025	13	External Auditor Service Fees	68
2024	15	LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	69
2023	16	INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS....69	
THE CACTUS PROJECT.....	17	TRANSFER AGENT AND REGISTRAR	69
Current Technical Report.....	17	MATERIAL CONTRACTS	69
Project Description, Location and Access	17	INTERESTS OF EXPERTS.....	71
Adjacent Properties.....	19	ADDITIONAL INFORMATION.....	72
History	21	Schedule "A" Audit Committee Charter	
Geological Setting, Mineralization and Deposit Types	23		
Exploration and Drilling	24		
Sample Preparation, Analysis and Security	26		
Data Verification.....	27		
Mineral Processing and Metallurgical Testing	28		
Mineral Resource Estimates	29		
Capping.....	31		
Mine Plan.....	34		
Environmental, Permitting, and Social Considerations	37		
Environmental Considerations.....	38		
Closure and Reclamation Considerations	38		
Social Considerations	38		
Capital and Operating Cost Estimates	39		
Capital Cost Estimate.....	39		
Operating Cost Estimate	39		
Economic Analysis	40		

INTRODUCTORY NOTES

Cautionary Statement Regarding Forward-Looking Information and Other Matters

Forward-Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this annual information form (this "AIF") of Arizona Sonoran Copper Company Inc. (the "**Company**" or "ASCU") constitute "forward-looking statements" and "forward-looking information" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities laws and United States securities legislation. Forward-looking statements are made as of the date of this AIF or as otherwise expressly stated herein. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "advance", "anticipated", "assumptions", "become", "believe", "budget", "building", "commitments", "contemplated", "contingencies", "continue", "could", "develop", "define", "demonstrates", "depending", "emerging", "estimate", "evaluates", "exploration", "eventual", "expand", "expect", "feasibility", "focused", "following", "forecast", "forward", "future", "goals", "foreseeable", "growth", "if", "indicators", "initial", "intend", "initiative", "intention", "in the event", "leading", "liabilities", "liquidity", "long-term", "looking", "may", "milestones", "model", "need", "new", "next", "objectives", "ongoing", "opportunity", "optimization", "optimize", "options", "phase", "plan", "potential", "preliminary", "probable", "program", "progress", "proposed", "provisions", "reserve", "resource", "rights", "risk", "schedule", "strategies", "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. Such forward-looking statements include those relating to the characteristics and completion of the Hudbay Transaction (as defined below in this AIF) including the satisfaction of closing conditions customary in transactions of this nature, including securityholder approval, certain U.S. and Canadian regulatory approvals, court approval and stock exchange approvals; the 2026 work plan and details and results thereof (including drilling programs, technical studies (including trade-off studies, metallurgical studies, and the 2026 Feasibility Study (or 2026 FS), and related milestones and other details, and the requirements, scope, focus, related work, and the timing, any optimizations, value and other results of any such studies), permitting (including amendments and other requirements, and timing thereof), advancing the 2026 FS (including deliver, timing and results thereof), and any and all other technical studies), required funding for the work plan (including the amount of funding and timeline required); project financing including engagement of potential financiers, and timeline thereof and results thereof, and other advancement of the Cactus Project (as defined herein), including any other work and other operations in 2026; the Cactus Project as contemplated by the 2025 Pre-Feasibility Study (or 2025 PFS) (as summarized in "Cactus Mine Project NI 43-101 Technical Report – Pre-Feasibility Study Pinal Country, Casa Grande, Arizona" with an effective date of October 20, 2025 and an issue date of November 17, 2025, prepared in accordance with NI 43-101 and filed on November 19, 2025 on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile, the "**2025 PFS Technical Report**"), a 2026 FS, and/or any future such or similar study, analyses or testing (including contemplated workstreams or plans, opportunities), and the conclusions, parameters or results thereof (including, in the 2025 PFS and any 2026 DFS or other future studies, any economic analyses, net present value (or NPV), and other valuations, internal rate of return (or IRR) and other returns, free cash flow (or FCF), life of mine (or LOM), mine plans, mining methods, dilution and mining recoveries, processing method and rates, timing and rate of production, results of metallurgical test work and metallurgical recovery rates, infrastructure requirements, Mineral Resource or Mineral Reserve estimates, costs (including capital costs (or capex), C1 cash costs and all in sustaining costs or AISC), any eventual construction decision and commencement of production; returns, impact on Casa Grande and State of Arizona, and other economics, stated therein); Mineral Resource or Mineral Reserve estimates (including underlying assumptions, and any upgrade of Inferred or other Mineral Resource estimates, and any related drill program and timing and results thereof); results (if any) of further exploration work to define and expand or upgrade Mineral Resources and Mineral Reserves at the Cactus Project, and ability to accomplish such; the ability of exploration work (including drilling) to accurately predict mineralization; targeting additional Mineral Resources and expansion of existing deposits; the Company's expectations, strategies and plans for the Cactus Project, including planned exploration, drilling, development, construction or other activities of the Company and the results of these activities (including cost, timing and results thereof) and any commencement of production; future costs of capital

and future metal prices; the timing, receipt and maintenance of approvals, licenses and permits from the federal and state government agencies and from any other applicable government, regulator or administrative body; opportunities to expand operations and Mineral Resources and Mineral Reserves; the future supply and demand of copper; the impact of technological developments on the demand of copper; the environmental impact of the Company's operations at the Cactus Project and otherwise; the timing of environmental assessment processes; changes to the Cactus Project configuration that may be requested as a result of stakeholder or government input to the environmental assessment process; estimates of reclamation obligations; future financial or operating performance and condition of the Company and its business, operations and properties; business strategy; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this AIF including estimates and assumptions about: favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the development of the Cactus Project and pursue planned exploration; 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; there being no significant disruptions affecting the development and operation of the Cactus Project; the accuracy of any Mineral Resource or Mineral Reserve estimates; the geology and geological interpretations of the Cactus Project being as contemplated by the 2025 PFS (as summarized in the 2025 PFS Technical Report); the metallurgical characteristics of the Cactus Project being suitable for processing; the grades, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions being as contemplated by the 2025 PFS (as summarized in the 2025 PFS Technical Report); the successful operation of the processing facility; production costs; the accuracy of budgeted exploration and development costs and expenditures, including to complete development of the infrastructure at the Cactus Project; the price of other commodities such as fuel; the availability of certain consumables and services and the prices of power and other key supplies being approximately consistent with the assumptions in the 2025 PFS Technical Report; labour and material costs being approximately consistent with the assumptions in the 2025 PFS Technical Report; project parameters being approximately consistent with those as described in the 2025 PFS Technical Report; future currency exchange rates and interest rates; operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental and third party approvals, licences and permits on favourable terms; obtaining required renewals for existing approvals, licences and permits and obtaining all other required approvals, licences and permits on favourable terms; sustained labour stability; stability in financial and capital goods markets; and availability of equipment as well as such other estimates and assumptions as described in the 2025 PFS Technical Report and the Company's management discussion and analysis (and related financial statements) for the fiscal year ended December 31, 2025 (the "**FYE 2025 Financial Disclosure**"). While the Company considers these estimates and assumptions to be reasonable, the assumptions are inherently subject to significant business, operational, social, economic, political, regulatory, competitive, and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking statements. Many estimates and assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, 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, those described in the "Risk Factors" section of this AIF, the risks, uncertainties, contingencies and other factors identified in the FYE 2025 Financial Disclosure (including under the heading "Risks and Uncertainties"), the 2025 PFS Technical Report and the press releases expressly referenced in this AIF (the "**Referenced Press Releases**") as well as: the risk that the Hudbay Transaction will not be approved by the ASCU securityholders; the failure to, in a timely manner, or at all, obtain the required court approval for the Hudbay Transaction; the failure of the parties to otherwise satisfy the requisite conditions to complete the Hudbay Transaction; the possibility that the Arrangement Agreement may be terminated by one or both Hudbay and ASCU; copper prices are volatile and may be lower than expected; product alternatives may reduce demand for copper; 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 inability to make the remaining payment under the 2022 and/or remaining payments under the 2025 land purchase loans; nature of mineral exploration, development and mining involves significant financial risks; dependence on the success of the Cactus Project as the principal operation of the Company; the Company may not be able to obtain further financing and continue as a going concern; changes in exploration, development or mining plans due to exploration results and/or changing budget priorities of ASCU or its joint venture partners; the Company's reliance on the availability of funding from third parties or partners; the Company is reliant on appropriate governmental authorities to obtain, renew and maintain the necessary permits for Company operations; estimates of capital cost and operating costs may be lower than actual costs; errors in geological modelling or changes in any of the assumptions underlying the 2025 PFS (as summarized the 2025 PFS Technical Report); geological hydrological and climatic events could suspend future mining operations or increase costs; title to mineral properties may be challenged or impugned; social and environmental activism can negatively impact exploration, development and mining activities; the Company's success is dependent on developing and maintaining relationships with local communities, stakeholders and its labour force; success of the Company and the successful development of the Cactus Project depends on retaining the skills of the Company's management and key personnel; operations during mining cycle peaks are more expensive; mining operations are very risky and project parameters may continue to change as plans continue to be refined; inadequate infrastructure may constrain mining operations; risks from unknown hazards; changes in climate conditions may affect the Company's future operations; substantial government regulation and changes to regulation or more stringent implementation of regulations could have a material adverse effect on the Company's operations and financial condition; regulation of greenhouse gas emissions and climate change issues may adversely affect the Company's operations and markets; risks associated with changing environmental legislation and regulations; the mining industry is intensely competitive; the Company may incur losses and experience negative operating cash flow for the foreseeable future; the Company's insurance coverage may be inadequate and result in losses; currency fluctuations can result in unanticipated losses; enforcement of judgements and effecting service of process on directors may be difficult due to residency outside of Canada; the directors and officers may have conflicts of interest with the Company; future acquisitions may require significant expenditures or dilution and may result in inadequate returns; dependence on information technology systems; the Company may become subject to costly legal proceedings and securities class action litigation; risks related to the Company's holding company structure; investors may lose their entire investment; dilution from equity financing could negatively impact holders of Common Shares; equity securities are subject to trading and volatility risks; sales by existing shareholders can reduce share prices; no intention to pay dividends; decline in price and trading volume of Common Shares if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business; reduction in share prices due to global financial conditions; outbreaks of diseases and public health crisis; and international conflict, geopolitical tensions or war. 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.

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 this AIF, the FYE 2025 Financial Disclosure, the 2025 PFS Technical Report and the Referenced Press Releases. 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 this AIF (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 this AIF are expressly qualified by these Cautionary Statements as well as the cautionary statements in the 2025 PFS Technical Report, Referenced Press Releases, and in the FYE 2025 Financial Disclosure, all available on the

Company's website (www.arizonasonoran.com) and under the Company's issuer profile on SEDAR+ (www.sedarplus.ca).

Preliminary Economic Assessments

The preliminary economic assessment (or 2024 PEA), as summarized in the related technical report, referenced in this AIF was 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.**

Mineral Resource Estimates

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 Estimate 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.

Non-IFRS Financial Performance Measures

This AIF 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 AIF 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 2025 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.

Currency and Exchange Rate Information

In this AIF, unless otherwise indicated, all references to "\$" or "dollars" refer to Canadian dollars, all references to "US\$" refer to United States dollars.

The following table sets forth: (i) the rates of exchange for U.S. dollars expressed in Canadian dollars in effect at the end of the periods indicated; (ii) the average exchange rates in effect during such periods; (iii) the high rate of exchange in effect during such periods; and (iv) the low rate of exchange in effect during such periods, such rates, in each case, based on the noon or daily average exchange rate, as applicable, for conversion of one U.S. dollar to Canadian dollars as reported by the Bank of Canada.

	Year Ended December 31, 2025 ⁽¹⁾	Year Ended December 31, 2024 ⁽¹⁾	Year Ended December 31, 2023 ⁽¹⁾
Period End	1.3706	1.4389	1.3226
Average	1.3978	1.3698	1.3497
High	1.4603	1.4416	1.3875
Low	1.3558	1.3316	1.3128

Notes:

(1) Exchange rate based on the daily average rate of exchange as reported by the Bank of Canada.

As at 4:30 P.M. March 30, 2026, the daily average rate of exchange as reported by the Bank of Canada was \$1.00:C\$1.39.

Technical Terms and Abbreviations

Unless the context otherwise requires, technical terms or abbreviations not otherwise defined in this AIF shall have the following meanings:

Abbreviation	Definition
afy	acre foot per year
Ag	silver
Au	gold
blbs	billions of pounds
Cu	copper
ft	foot
g	gram
gpL	grams per liter
gpm	gallons per minute
g/t	grams per short ton
ha	hectare
km	kilometre
kW	kilowatt
/lb	per pound
lbs	pounds
m	metre
Mgpd	millions of gallons per day
mi	mile
mm	millimetre
mlbs	millions of pounds
Mo	molybdenum
Moz	millions of Troy ounces
Mt	millions of short tons
MW	megawatt
MWh/yr	megawatt hours per year
oz	ounce
PM	particulate matter
/t	per ton
T	short ton
tpd	short tons per day
µm	micrometre

The Mineral Resource estimates (or “MRE”) for the Cactus Project (including as used in the 2025 PFS Technical Report) have been estimated in accordance with NI 43-101, which incorporates by reference the CIM Standards and CIM Definitions set out by the Canadian Institute of Mining, Metallurgy and Petroleum (“**CIM**”).

As used in this AIF, as applicable, “Company” and “ASCU” may include, or alternatively reference, one or both of the subsidiaries of Arizona Sonoran Copper Company Inc. identified herein (see *“Corporate Structure – Intercorporate Relationships”*).

CORPORATE STRUCTURE

The Company

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

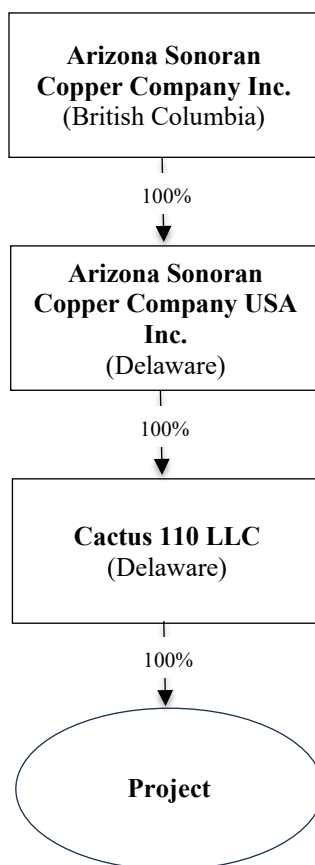
On November 16, 2021, the Company completed the initial public offering and secondary offering of its common shares (the "**Common Shares**"). The Company became a reporting issuer in all provinces and territories of Canada, except for Québec on November 9, 2021. The Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "ASCU".

The Company also trades in the United States on the OTCQX Best Market (the "**OTCQX**") under the symbol "ASCUF".

The Company's main operations office is located at 950 W Elliot Road, Suite 122, Tempe, Arizona, 85284. The Company has its registered office at 666 Burrard Street, 2500 Park Place, Vancouver, British Columbia, V6C 2X8 and its Canadian corporate office at 372 Bay Street, Suite 1800 Toronto, Ontario M5H 2W9.

Intercorporate Relationships

The Company has two wholly-owned subsidiaries, Arizona Sonoran Copper Company (USA) Inc. ("**ASCU USA**") and Cactus 110 LLC ("**Cactus 110**"), which hold the Company's interest in the Cactus Project and the assets related thereto.



DESCRIPTION OF THE BUSINESS

General

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

Business Strategy

The Company's strategy is to explore and develop the brownfield Cactus Mine located in Pinal County, Arizona along with the nearby Parks/Salyer deposit, including the MainSpring Property (as defined herein) and the wider land package held by the Company (the "**Cactus Project**") towards a production decision. To execute the strategy, the Company is currently undertaking additional infill and Indicated drilling in the Cactus Project as well as the MainSpring Property (as defined herein). The Company also intends to continue obtaining the relevant permits for the Cactus Project, including amending stormwater pollution prevention plan related permit, aquifer protection permit and industrial air permit. ASCU recently completed the 2025 PFS Technical Report, which supersedes all prior studies and technical reports, including the 2024 PEA (as each is defined herein). See "*The Cactus Project*" for more details. The Company is working towards a standalone feasibility study on the Cactus Project for planned delivery in 2H 2026 (the "**2026 FS**"). See "*2026 Work Plan*" for further details on the Company's work plans for the Cactus Project.

Specialized Skills and Knowledge

The nature of the Company's business requires specialized skills and knowledge, which include, but are not limited to, expertise related to mineral exploration, geology, drilling, permitting, metallurgy, logistical planning, and implementation of exploration programs, as well as legal compliance, finance, and accounting. The Company expects to rely upon various legal and financial advisors, consultants and others in the operation and management of its business.

In order to attract and retain personnel with the specialized skills and knowledge required for the Company's operations, the Company maintains competitive remuneration and compensation packages. To date, the Company has been able to meet its staffing requirements. See "*Directors and Officers*" for details as to the specific skills and knowledge of the Company's directors and management.

Competitive Conditions

The Company's primary business is expected to be to produce and sell copper. Prices are determined by world markets over which the Company has no influence or control. The Company's competitive position will be primarily determined by its costs compared to other producers throughout the world and its ability to maintain its financial integrity through metal price cycles. Costs are governed to a large extent by the grade, nature and location of Mineral Reserves and Mineral Resources as well as by input costs and the level of operating and management skill employed in the production process. In contrast with diversified mining companies, the Company is primarily focused in the shorter term on exploration and development of the Cactus Project and, if commercial production is achieved, copper production, and is therefore subject to unique competitive advantages and disadvantages related to the price of copper. The Company is strongly positioned to benefit from a rising copper price and conversely, if copper prices decrease, the Company will be at a competitive disadvantage to diversified mining companies.

Further, the Company competes with numerous other entities and individuals, including many large established mining companies having substantial capabilities and greater financial and technical resources than the Company. Such competition may result in the Company being disadvantaged in the acquisition of attractive properties. The ability of the Company to acquire attractive properties in the future will also depend on its ability to successfully construct and develop the Cactus Project and arrangements with third parties.

The Company also competes with other mining companies and other third parties over sourcing raw materials and supplies in connection with its construction, development and exploration operations, as well as skilled experienced personnel and transportation capacity. See "*Risk Factors – Competition*".

Economic Dependence and Components

The Company's business is not dependent on any contract to sell a major part of its products or to purchase a major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. It is not expected that the Company's business will be affected in the current financial year by the renegotiation, amendment or termination of contracts or subcontracts.

Business Cycles

Demand for and the price of copper are volatile and affected by numerous factors beyond the Company's control. See "*Risk Factors – Volatility of Copper Prices*" and "*Risk Factors – Demand for Copper and Industry Conditions*".

Environmental Protection

The Company's development and exploration activities are subject to various levels of federal, state, and local laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties. Permitting for the Cactus Project is driven entirely by state and county regulations. Since the acquisition of the Cactus Project in July 2020, the Company has operated in material compliance with its environmental approvals and has successfully administered a rigorous environmental monitoring and reporting program.

The environmental conditions at the Cactus Project have been reviewed in detail and no environmental fatal flaws that would materially impede the advancement of the Cactus Project have been identified. The Company continues to maintain rigorous baseline data collection programs required to support the future permitting of the Cactus Project and compliance with local regulations. See "*The Cactus Project*".

The Company believes its operational, developmental and environmental plans adequately address the environmental risks associated with its operations and that it currently has in place the appropriate safeguards to protect the environment.

The Company believes it has appropriately accounted for the costs associated with its environmental protection, monitoring and controls; however, environmental regulations are evolving in a manner which has tended to impose higher standards with respect to permitting and environmental controls, and stricter enforcement of non-compliance penalties for companies and their directors, officers and employees with respect to compliance. As the Cactus Project advances, the Company may be required to post additional security in respect of its environmental obligations. Any changes to the current environmental regulatory regime to which the Company is subject may result in increased capital costs and decreased production and revenue to the Company in the future, which could adversely affect the Company's earnings and competitive position. See "*Risk Factors – Risks relating to Changing Environmental Legislation and Regulations*".

Employees

As of December 31, 2025, the Company had 47 full-time employees, inclusive of executives, and 14 contractors. The number of employees and contractors of the Company is expected to continue during 2026 and be approximately 33 full-time employees and up to 40 contractors.

On an ongoing basis, the Company evaluates the required expertise and skills to execute its business strategy and will seek to attract and retain the individuals required to meet the Company's goals. See "*Risk Factors – Dependence on Management and Key Personnel*".

Foreign Operations

The Company has established its operational headquarters in Arizona and its principal asset and only material property of the Company, the Cactus Project is located in close proximity to the city of Casa Grande, Pinal County, Arizona. See *"Risk Factors – Enforcing Judgements and Foreign Operations Risks, Market / Economic Conditions, and International Conflict, Geopolitical Instability and War"*.

GENERAL DEVELOPMENT OF THE BUSINESS

The following is a summary of ASCU's business development over the three most recently completed financial years.

Events Subsequent to 2025

2026 Work Plan Highlights

Subject to the pending Transaction and any revisions in light thereof:

1. **Early Development Activities** – Procurement, recruitment and derisking programs for targeted first cathode production in 2H 2029.
2. **Feasibility Study** – Completion of the 2026 FS targeted in 2H 2026.
3. **Geological and Geotechnical Programs** – Infill to Measured drilling at Parks/Salyer and other programs, in preparation for operational readiness.
4. **Permitting and Land** – Major permit amendments are in process and anticipated to be received in 2H 2026, including the Aquifer Protection Permit, Industrial Air Permit and Mined Land Reclamation Permit.
5. **Project Financing** – Advance the debt financing package to targeted completion post-2026 FS and explore available government financial support options.
6. **Environmental, Social and Governance** – Focus on continuing engagement with the local community to foster its continued support.

Hudbay Acquisition

On March 2, 2026, the Company announced that it entered into a definitive arrangement agreement (the "Arrangement Agreement") with Hudbay Minerals Inc. ("Hudbay"), pursuant to which Hudbay has agreed to acquire all of the issued and outstanding common shares of ASCU, not already owned by Hudbay, for consideration of 0.242 of a common share of Hudbay per common share of ASCU (the "Transaction"). The offer implies a value of C\$9.35 per ASCU share based on Hudbay's closing share price on the Toronto Stock Exchange ("TSX") on February 27, 2026, and represents a premium of 30% to ASCU's closing share price on February 27, 2026. The offer implies a premium of 36% based on Hudbay's and ASCU's 20-day volume-weighted-average share prices ("VWAP") on the TSX for the period ending February 27, 2026. The Transaction will result in Hudbay owning a 100% interest in ASCU's Cactus project ("Cactus").

Nuton Termination Agreement

On February 17, 2026, the Company announced that Nuton LLC ("Nuton"), a Rio Tinto Venture, and ASCU, ASCU USA and Cactus 110, had entered into an agreement dated February 16, 2026 to effect the early termination of the Option to a Joint Venture Agreement between the parties dated December 14, 2023 (as amended by letter agreement amongst the parties dated November 5, 2024) to establish a strategic alliance to potentially deploy Nuton technologies at the Cactus Project (the "**Nuton OTJV**"), as well as the Investor Rights Agreement between ASCU and Nuton dated May 13, 2022 (the "**Nuton IRA**"), effective immediately, (the "**Nuton Termination Agreement**"), copies of which agreements are available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile. See also "*General Description of the Business – 2023 – Nuton OTJV*" and "*Material Contracts – (e) Nuton Termination Agreement*".

Corporate Appointments

On January 21, 2026, the Company announced that Bill Washington joined its Board of Directors as a non-executive director. Additionally, Alison Dwoskin was promoted to Vice President, Investor Relations.

Permitting

On January 7, 2026, the Company announced it was granted the Dust Permit from the Pinal County Air Quality Division and based on the Pre-Feasibility Study (“PFS”) issued in November 2025.

2025

2025 Private Placements

On December 2, 2025, the Company announced that it had closed its bought deal financing of 25,746,300 common shares in the capital of the Company at a price of C\$3.35 per common share, for gross proceeds to the Company of C\$86.3 million (\$61.7 million) (the “November 2025 Offering”) initially announced on November 12, 2025. The November 2025 Offering was underwritten on a “bought deal” basis by a syndicate of underwriters. The net proceeds from the November 2025 Offering will be used for certain early development activities at the Company’s Cactus Project, as well as for working capital and general corporate purposes.

On December 12, 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 November 2025 Offering. Hudbay subscribed for 3,111,089 common shares of the Company at a price of C\$3.35 per common share for aggregate gross proceeds to the Company of C\$10.4 million (\$7.6 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. The Company is aware that, subject to a subsequent transaction took in September 2025, Tembo sold all of its remaining common shares in the Company.

On July 10, 2025, the Company closed a non-brokered private placement equity financing with Hudbay which exercised 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 June 20, 2025, the Company closed its previously announced public offering of Common Shares, pursuant to which the Company issued, on a bought deal basis, 25,875,000 Common Shares, including 3,375,000 Common Shares issued pursuant to the exercise in full of the over-allotment option granted to the a syndicate of underwriters, at a price of \$2.00 per Common Share, for aggregate gross proceeds of C\$51.8 million (\$37.7 million) (the “June 2025 Offering”).

On January 31, 2025, the Company closed a private placement with Hudbay of 11,955,270 common shares at a price of C\$1.68 for gross proceeds to the Company of C\$20 million (US\$14 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 shares of the Company for gross proceeds of C\$1.6 million (US \$1.1 million).

Cactus Project Pre-Feasibility Study and Mineral Resource Update

On November 19, 2025, further to the Company's press release on October 20, 2025 announcing the results of the Pre-Feasibility Study on the Cactus Project (the "**2025 PFS**"), ASCU filed a technical report in respect of the 2025 PFS titled "*Cactus Mine Project, NI 43-101 Technical Report and Pre-feasibility Study, Pinal County, Casa Grande, Arizona*" with an issue date of November 17, 2025 and an effective date of October 20, 2025, prepared and approved by independent Qualified Persons as defined by NI 43-101 (each, a "QP"): Roger Rivers, PE and Laurie Tahija, QP-MMSA of M3 Engineering, Allan L. Schappert, CPG, SME-RM of ALS GeoResources LLC, R. Douglas Bartlett, CPG, PG. of Clear Creek Associates, a subsidiary of Geo-Logic Associates, Gordon Zurowski, P.Eng. of AGP Mining Consultants Inc. and Anthony Crews, P.E., of Geo-Logic Associates (the "2025 PFS Technical Report"). The 2025 PFS Technical Report is not and shall not be deemed to be incorporated by reference in this AIF.

The 2025 PFS Technical Report includes a maiden Mineral Reserve estimate derived from the Measured and Indicated Mineral Resource estimates within the updated MRE for the Project announced by the Company on September 16, 2025 (the "**2025 MRE**"). See details in "Mineral Resource Estimates" and "Mineral Reserve Estimates".

Cactus Project Land Purchases

On September 2, 2025, the Company announced completion of the acquisition on August 29, 2025 of 2,043 acres of land for the Project, comprised of 100% of the surface rights and approximately 80% of the underlying mineral title, from a consortium of related private corporate landowners (the "**2025 Consortium Land Purchase**") and, on July 27, 2025, the purchase of 80 acres, surface and mineral title, from a single private land owner. For further details on the 2025 Consortium Land Purchase, see "*Material Contracts – (d) 2025 Consortium Land Purchase Agreement*".

Appointment of Debt Financial Advisor

On June 2, 2025 the Company announced that in preparation for project financing, it has appointed H&P Advisory Limited ("H&P") as its debt financial advisor for the Cactus Project, a copper cathode development project in Arizona ("Cactus" or the "Project").

Existing NSR Purchase by Royal Gold

On February 13, 2025, the Company announced that RG Royalties LLC, a subsidiary of Royal Gold Inc. (RLGD:NASDAQ) had purchased an existing 2.5% net smelter royalty ("**NSR**") on a portion of the Cactus Project for cash consideration of \$55 million from Tembo Capital.

Rights Plan

On February 3, 2025, the Company announced that it has 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.

Royalty Buybacks

On August 13, 2025, the Company completed the 0.64% buy-down of certain net smelter returns royalties on the Cactus Project. Following execution of definitive documentation, total cash payments of US\$8.91 million were made to RG Royalties, LLC, a subsidiary of Royal Gold Inc. (RLGD:NASDAQ) and Elemental Royalties Delaware LLC, a subsidiary of Elemental Altus Royalties Corp. (ELE:TSXV), upon which the aggregate percentage of the NSRs was reduced from 3.18% to a remaining 2.54%.

MainSpring PSA Completion

On January 31, 2025, the Company completed the MainSpring Agreement with payment of US\$6.0 million together with accrued interest at 6% per annum, ahead of its February 28, 2025 maturity date. See "*General Development of the Business – 2023 – MainSpring Property*" for details.

2024

Royalty Buyback

On December 30, 2024, the Company completed a buyback of 1% of the Bronco Creek Exploration ("BCE") NSR for a cash payment of US\$0.5 million, 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 Cactus Project.

Corporate Appointments

During the year, ASCU appointed Nicholas Hayduk as Vice President Corporate Development and Corporate Secretary.

Cactus Project Updates

On December 3, 2024, the Pinal County Air Quality Department approved an amended Industrial Air Permit ("IAP") for the Cactus Project. Upon receiving the IAP, the Company acquired its final major permit needed to develop and mine at the Cactus Project site as per the 2024 PFS as summarized in the 2024 PFS Technical Report (which have subsequently been superseded by the 2024 PEA and 2024 PEA Technical Report, respectively).

Amendment to Nuton Option Agreement

On November 13, 2024, the Company announced an amendment of the Nuton Option Agreement (see "*General Development of the Business – 2023 – Nuton LLC Option to Joint Venture*" for more details) to extend dates for delivery of a draft Integrated Nuton Pre-Feasibility Study (or PFS) to December 31, 2025, and its ultimate filing to March 2, 2026, to provide sufficient time to complete such study, including the related drill program and associated metallurgical work.

2024 Public Offering and Nuton Private Placement

On October 9, 2024, ASCU completed a "bought deal" public offering of 23,805,000 Common Shares at a price of C\$1.45 per Common Share for aggregate gross proceeds of C\$34.5 million (the "**2024 Public Offering**").

In connection with the 2024 Public Offering, Nuton exercised its pre-emptive rights under the Nuton Investor Rights Agreement (as defined herein) to maintain its ownership interest percentage in ASCU of 7.2%. Accordingly, Nuton subscribed for 2,151,259 Common Shares of the Company at a price of C\$1.45 per Common Share for aggregate gross proceeds to the Company of C\$3.1 million, which closed on November 13, 2024.

Cactus Project 2024 Preliminary Economic Assessment ("2024 PEA")

The summary of the technical report titled "NI 43-101 Technical Report – Preliminary Economic Assessment of the Cactus Mine Project, Pinal County, Casa Grande Arizona" issued August 23, 2024 (with an effective date of August 7, 2024) (the "**2024 PEA Technical Report**") for the Cactus Project referred to above is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the 2024 PEA Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to NI43-101 and is available for review on SEDAR+ under the Company's issuer profile at www.sedarplus.ca. The 2024 PEA and 2024 PEA Technical Report (including all Mineral Resource estimates cited therein) have, respectively, been superseded in their entirety by the 2025 PFS and 2025 PFS Technical Report (including the 2025 MRE) .

Cactus Project 2024 Pre-Feasibility Study

On March 28, 2024, further to the announcement on February 21, 2024 announcing the pre-feasibility study on the Cactus Project (the "**2024 PFS**"), ASCU filed a technical report in respect of the 2024 PFS titled "*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, prepared and approved by Qualified Persons as defined by NI 43-101 (each, a "QP"): Erin L. Patterson, P.E., Scott C. Elfen P.E., R. Douglass Bartlett, RG, CHG, Gordon Zuroski, P.Eng., Nat Burgio, FAusIMM (CP), Todd Carstensen, RM-SME, Allan L. Schappert, CPG, SME-RM, James Sorensen, FAusIMM, Matt Bolling, P.E., PMP, and Paul Cicchini, PE (the "**2024 PFS Technical Report**"). The 2024 PFS and 2024 PFS Technical Report (including all Mineral Resource and Mineral Reserve estimates cited therein) have, respectively, been superseded in their entirety by the 2025 PFS and 2025 PFS Technical Report (including the 2025 MRE) .

2023

Nuton OTJV

On December 14, 2023, ASCU announced that the Company had signed the **Nuton OTJV** between ASCU USA, Cactus 110, and Nuton which provided for, among other things, the grant to Nuton of an exclusive right and option to acquire between 35.0% to 40.0% in the Cactus Project (the "**Nuton Option**"). In consideration for the grant of the Nuton Option, the Nuton OTJV provided funding of up to US\$33 million in cash to advance land acquisition, development and exploration at the Cactus Project. As described above, the Nuton OTJV and the Nuton IRA were terminated, effective February 16, 2026, in accordance with the Nuton Termination Agreement. See also "*General Description of the Business – Events Subsequent to 2025 – Nuton Termination Agreement*" and "*Material Contracts – (e) Nuton Termination Agreement*".

Cactus Project Updates

On April 3, 2023, the Company received a Mined Land Reclamation Permit ("**MLRP**") from the Arizona State Mine Inspector's Office. The MLRP is a financial assurance document requiring the Company to bond for fully reclamation of the property after concluding mining operations.

On May 15, 2023, the Pinal County Air Quality Department approved an Industrial Air Permit ("**IAP**") for the Cactus Project. Upon receiving the IAP, the Company acquired its final major permit needed to develop and mine at the Cactus Project site under the now superseded 2024 PFS.

On October 3, 2023, the City of Casa Grande approved a 2.5 acre (10,117.1 m²) Mineral Exploration Permit (the "**2.5 Acre MEP**") within Parks/Salyer. The 2.5 Acre MEP is located at the southern border of the Parks/Salyer deposit and will allow improved access to mineralized material and eliminate the potential sterilization related to mine planning activities adjacent to lands covered by the 2.5 Acre MEP.

MainSpring Property

On February 28, 2023, Cactus 110 LLC executed an agreement (the "**MainSpring Agreement**") with MainSpring Casa Grande LLC ("**MSCG**") to purchase 522.78 acres of private land immediately south of Parks/Salyer and east of the mine access road (the "**MainSpring Property**") for total consideration of US\$14 million, increasing its total landholding to 5,370 acres, comprising of the following payments: (i) US\$1 million non-refundable deposit in escrow at the time the MainSpring Agreement was entered into; (ii) US\$2 million on or prior to the expiry of a 5-month diligence period (subject to a month extension at the option of the Company) in escrow; (iii) US\$5 million on the first anniversary of the MainSpring Agreement (the "**MainSpring Closing Date**"); and (iv) US\$6 million together with accrued interest at a rate of 6% per annum within 1 year from the MainSpring Closing Date, secured by way of a promissory note and deed of trust on the MainSpring Property. The title in respect of the MainSpring Property transferred to Cactus 110 on the MainSpring Closing Date. Items i-iv have been completed with the MainSpring Property title transferred to the Company (including the promissory note repaid and deed of trust discharged).

On October 3, 2023, ASCU announced that the City of Casa Grande approved rezoning of the northern parcel of the MainSpring Property to Industrial use. Rezoning allowed the Company to begin drilling activities and represented an opportunity to prepare an exploration plan for future work programs on the MainSpring Property. The southern parcel of the MainSpring Property was rezoned to Industrial use effective January 1, 2024.

2023 Public Offering and Nuton Private Placement

On February 16, 2023, ASCU completed a "bought deal" public offering of 15,000,000 Common Shares at a price of C\$2.00 per Common Share for aggregate gross proceeds of C\$30 million (the "**2023 Public Offering**"). Tembo acquired an aggregate 2,833,717 Common Shares pursuant to the 2023 Public Offering, allowing the Company's ownership to decrease to 31%.

In connection with the 2023 Public Offering, on April 4, 2023, Nuton exercised its pre-emptive rights under the Nuton Investor Rights Agreement (as defined herein) to maintain its ownership interest percentage in ASCU of 7.2%. Accordingly, Nuton subscribed for 1,229,140 Common Shares of the Company at a price of C\$2.00 per Common Share for aggregate gross proceeds to the Company of C\$2,458,280.

Corporate Appointments

During the year, ASCU appointed Isabella Bertani to the board of directors of the Company (the "**Board**") as an independent director effective June 22, 2023, replacing Thomas Boehlert. On March 6, 2023, the Company appointed Victor Moraila as Chief Engineer. On June 7, 2023, the Company appointed Bernie Loyer as Senior Vice President, Projects and Christopher White as Chief Geologist. On September 6, 2023, the Company appointed Steve Dixon as Chief Metallurgist.

THE CACTUS PROJECT

The Company's strategy is to explore and develop the Cactus Project located in Pinal County, Arizona, which is the Company's principal asset as well as the wider land package held by the Company.

Current Technical Report

The scientific and technical information in this section relating to the Cactus Project is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the 2025 PFS Technical Report titled "*Cactus Mine Project NI 43-101 Technical Report – Pre-Feasibility Study, Pinal County, Casa Grande Arizona*", with an effective date October 20, 2025 and an issue date of November 17, 2025, prepared and approved by independent QPs: Roger Rivers, P.E., SME-RM and Laurie Tahija, QP-MMSA of M3 Engineering, Gordon Zurowski, P. Eng. of AGP Mining Consultants Inc., Allan L. Schappert, CPGG, SME-RM of ALS GeoResources LLC, R. Douglas Bartlett, CPG, PG of Lear Creek Associates, a subsidiary of Geo-Logic Associates, Anthony Crews, P.E. of Geo-Logic Associates (the "2025 PFS Technical Report"). Such assumptions, qualifications and procedures are not fully described in this AIF and the following summary does not purport to be a complete summary of the 2025 PFS Technical Report. Reference should be made to the full text of the 2025 PFS Technical Report, available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.

Project Description, Location and Access

The Cactus Project is located 40 road mi south-southeast of the Greater Phoenix metropolitan area and approximately 3 mi northwest of the city of Casa Grande, in Pinal County, Arizona. The Cactus Project, located at the historic Sacaton Mine, is 10 mi due west of the Interstate 10 (I-10) freeway. Access to the Cactus Project is approximately 4.6 mi west of Arizona State Route 387 (AZ-387) on North Bianco Road off the West Maricopa-Casa Grande Highway. The coordinates for the centre of the Cactus Project are -111.828129° longitude and 32.948166° latitude, with a variable elevation between 1,330 to 1,510 ft (405 to 460 m) above sea level. The total site area is approximately 7,843 acres. The following figure shows the general location of the Cactus Project:



In August 2019, ASCU USA (then known as Elim Mining (USA) Inc.), a wholly-owned subsidiary of the Company, executed a purchase agreement and prospective purchaser’s agreement the ASARCO Trust and the ADEQ, respectively, for the right to acquire all American Smelting and Refining Company (“ASARCO”) properties comprising historic Sacaton Mine operations (now Cactus West), as well as all infrastructure thereon, and all associated mineral title.

In July 2020, ASCU USA (then known as Elim Mining (USA) Inc.) successfully closed on and acquired full title to the historic Sacaton Mine properties, which were eventually transferred to its wholly-owned subsidiary Cactus 110. In 2020, Cactus 110 also closed on the adjacent private Merrill Properties, surface and mineral title, comprising the Parks/Salyer deposit. Also in 2020, ASC-USA acquired a Mineral Exploration Permit (“MEP”) for adjacent land owned by the Arizona State Lands Department (“ASLD”).

In February 2021, Cactus 110 executed an agreement with Arcus Copper Mountain Holdings LLC (“ARCUS”) and several co-owners to purchase 750 acres of adjacent private land, surface and mineral title (including 18 BLM unpatented mining lode claims). Further, in May 2021, Cactus 110 entered into an agreement with LKY/Copper Mountain Investments Limited Partnership LLP (“2021 LKY Land Agreement”) to purchase 1,000 acres of adjacent private land, surface and mineral title (“2021 LKY Lands”).

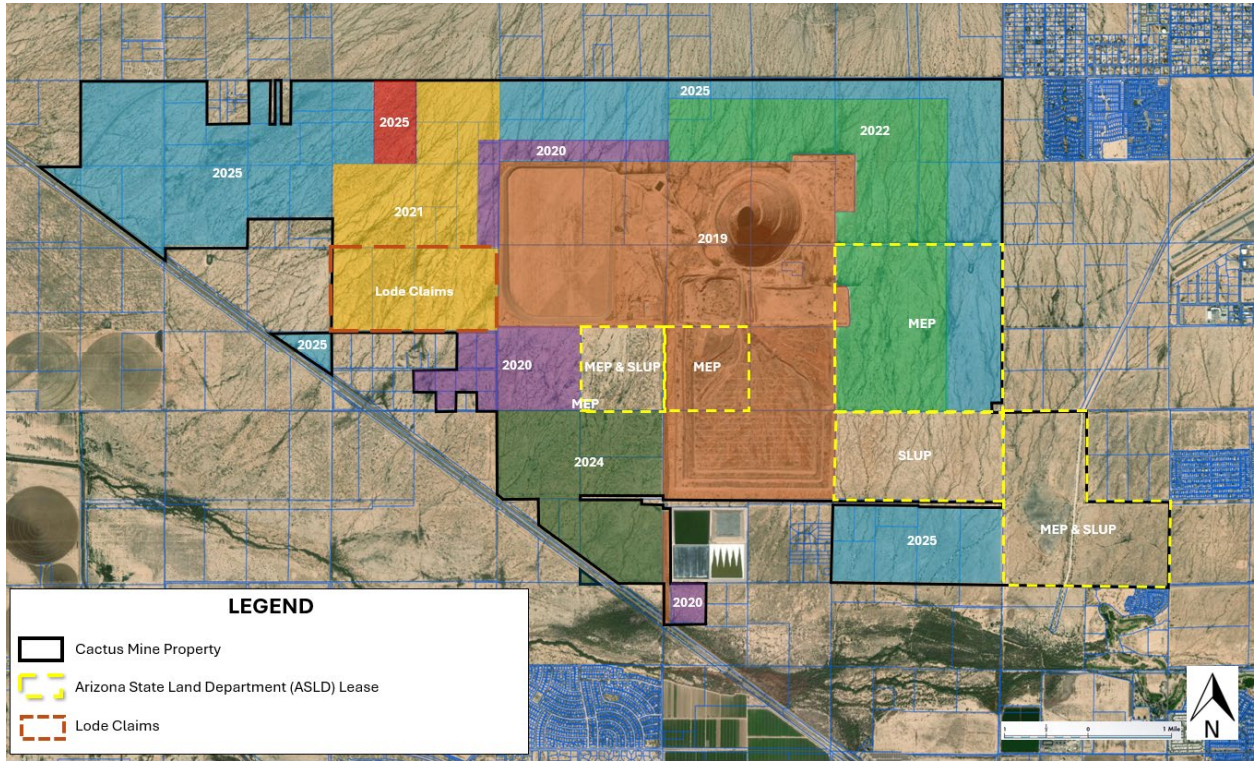
In February 2022, Cactus 110 LLC entered into an agreement with Bronco Creek Exploration Inc. (“BCE”) to transfer BCA’s MEP with the ASLD to Cactus 110. The BCE MEP consists of 157.50 acres of State-owned surface and minerals.

In February 2023, Cactus 110 executed an agreement with MSCG to purchase an additional 522.78 acres of adjacent private land, surface and mineral title, known as the MainSpring Property, increasing its total landholding to 5,720.08 acres.

In June 2025, Cactus 110 entered into an agreement with VAM Investments LLC to purchase 80 acres of private adjacent land, surface and mineral title.

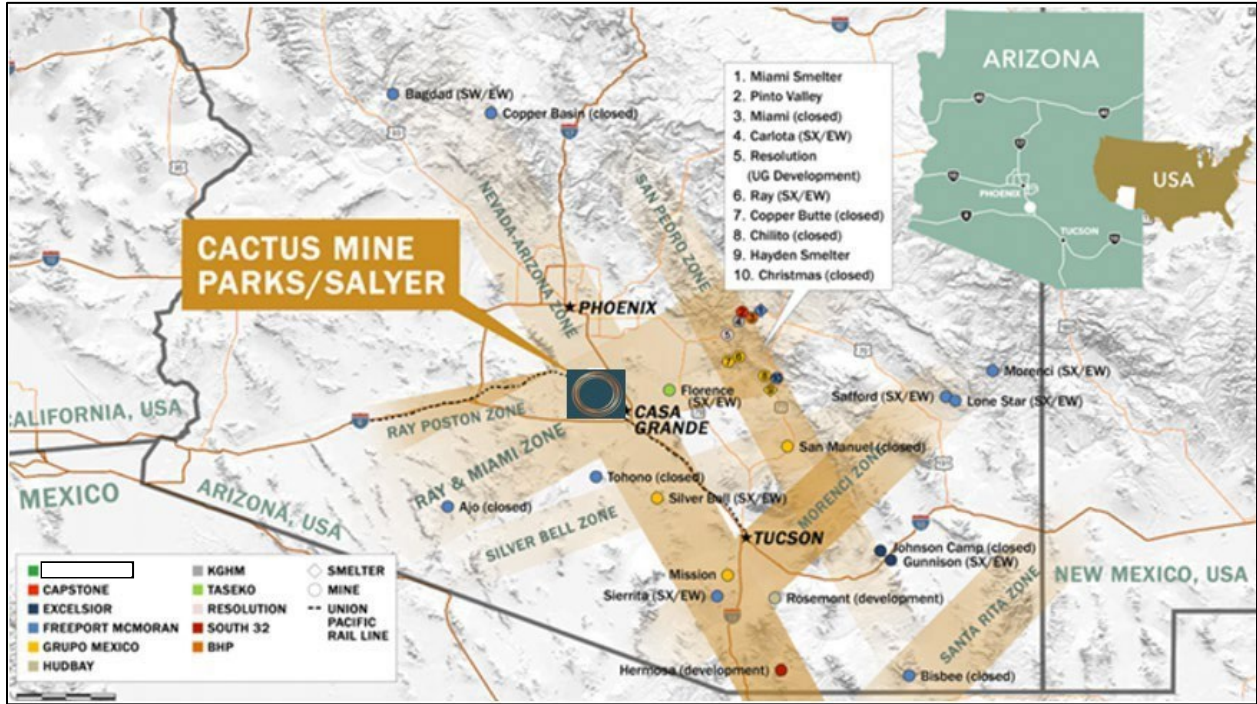
In August 2025, Cactus 110 LLC completed the 2025 Consortium Land Purchase to acquire an additional 2,043 acres of adjacent private land, surface and approximately 80% of the underlying mineral title from a consortium of private corporate landowners (See also “*Material Contracts – (d) 2025 Consortium Land Purchase Agreement*”).

The Cactus Project’s total land package is now 7,843 acres (3,174 ha) of which 6,854 acres (2,774) ha is private fee simple land. As referenced above, the Cactus Project land position held by Cactus 110 includes three ASLD Mineral Exploration Permits (MEPs) that the State has surface and mineral rights (649.12 acres), two ASLD Mineral Exploration Permits (MEPs) that the State has mineral rights only with Cactus 110 owning the surface rights (797.5 acres), and three Special Land Use Permits (SLUPs) with the State to allow for use of the surface that the State owns. The fee simple lands represent, among other things, the mineral rights to the old Sacaton East, Sacaton West, and substantially all of the Parks/Salyer deposit (including MainSpring).



Adjacent Properties

The Cactus Project is surrounded by other, current and past-producing, copper deposit mines and similar processing facilities, as shown in the figure below.



The nearest adjacent mineral property is the Santa Cruz copper porphyry deposit just over 2 mi (3 km) southwest of the Cactus site and 7 mi (11 km) west of Casa Grande, Arizona. Deposit information, obtained from an abstract of the Geology of the Santa Cruz Porphyry Copper Deposit Henry G. Keis, ASARCO, Incorporated (Tucson, Arizona), reports associated alteration and mineralization in the Santa Cruz copper porphyry, including that of fault displaced portions (such as the Cactus Project), is about 7 mi (11 km) long and about a mile (1.6 km) wide. Ivanhoe Electric is currently developing the Santa Cruz property and has published NI 43-101 and S-K 1300 technical reports within the past year. A review of those documents has revealed that Santa Cruz had mineralogical properties and structural aspects very similar to Cactus and Parks/Salyer.

Within Pinal County there are currently two operating copper mines. These mines are the Florence Copper Mine, owned and operated by Taseko Mines Ltd. approximately 25 mi (40 km) ENE and the Ray Mine, owned, and operated by ASARCO LLC, a subsidiary to Grupo Mexico (approximately 50 mi ENE) of the Cactus Mine.

Royalties and Encumbrances

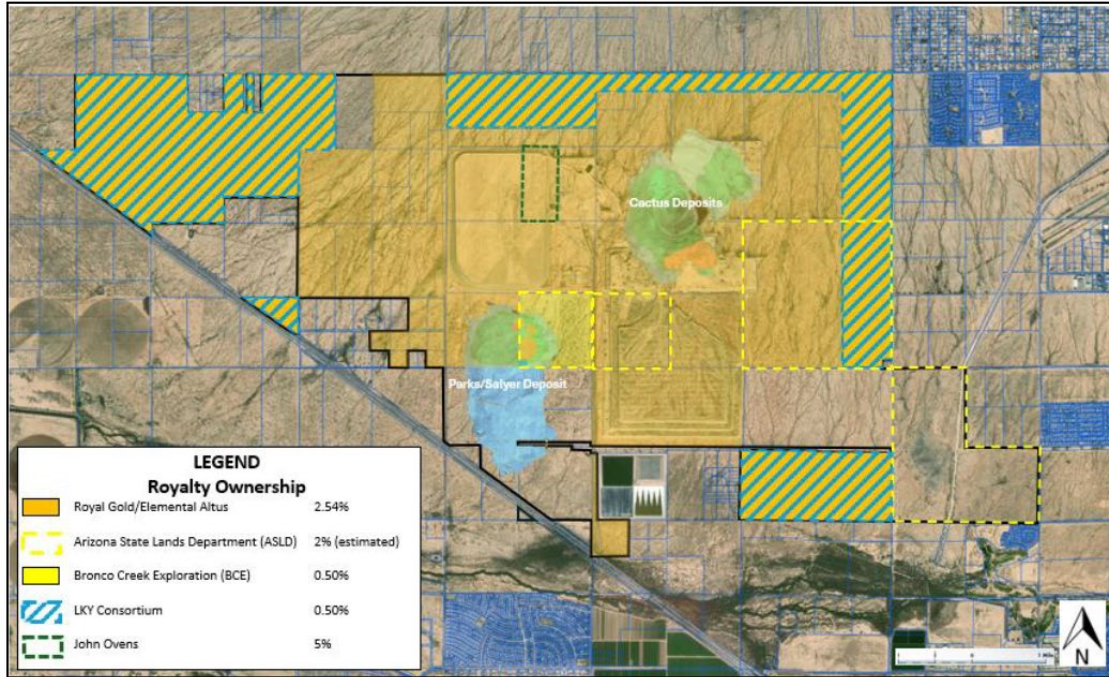
The Cactus Project is subject to following three royalties based on potential mining production:

- a 2.54% NSR royalty payable to Royal Gold (2.00%) and 0.54% to Elemental Altus Royalties Corp. (0.68%) on a portion of production from the 2025 MRE based on the current area of the 2025 MRE;
- a 0.50% NSR royalty payable to BCE on a portion of production from the 2025 MRE based on the current area of the 2025 MRE for the Parks/Salyer deposit; and
- a sliding net return royalty (2.00% to 8.00%) payable to ASLD and the State Trust on a portion of production from the 2024 MRE based on the current area of the 2025 MRE for the Parks/Salyer deposit. The royalty percentages still need to be formalized and the Company anticipates that this will be formalized once the Company submits a Mineral Development Report to ASLD to convert the existing MEPs to a mineral lease. For the purposes of the 2024 PEA Technical Report, it was assumed that a 2.00% NSR is payable to ASLD.

There is a 5.00% NSR royalty applicable to an 80-acre area of the original ASARCO properties (John Ovens), which area, based on the 2025 PFS and the 2025 MRE, is not anticipated to host any mineral production. There is also 0.50%

NSR royalty applicable to the 2,043 acres acquired pursuant to the 2025 Consortium Land Purchase(See also “*Material Contracts – (d) 2025 Consortium Land Purchase Agreement*”). Under the 2025 PFS, there is no anticipated production from these areas.

A graphical representation of the above royalties is as provided below:



History

ASARCO geologists first discovered the Sacaton mineral deposit in the early 1960s while examining an outcrop of leached capping composed of granite cut by several thin monzonite porphyry dikes. The nature of this original find indicated the likely presence of porphyry copper-type mineralization. Following this lead, ASARCO initiated a drilling program which defined copper mineralization zones. The west zone contained the ore body which was ultimately accessed through the open pit. The deeper east zone was the target of potential mining by underground methods.

During the life of Sacaton Mine, ASARCO drilled an approximate 223,246.4 ft (68,045.5 m) of both core and rotary exploration drilling. The Company completed a rigorous review and validation of this data before it was included in the MRE calculations.

Cactus Project construction and mining of the west zone via open pit method commenced by 1972, and the mine operated continuously from 1974 until 1984. An underground copper deposit at Sacaton was under development until September 1981, when work was suspended because of high costs and a weak copper market. The Sacaton mine was permanently closed on March 31, 1984, due to exhaustion of the open pit ore Mineral Reserves.

The resultant Sacaton open pit mine is roughly circular, approximately 3,000 ft (914 m) in diameter and 1,040 ft (317 m) in depth. The pit also has a visible internal lake, a hydraulic sink, with the surface positioned at a depth of approximately 980 ft (299 m) from the rim of the pit. During operation, the Sacaton mine consisted of the pit, crushing facilities and coarse ore stockpile, a 9,000 tpd flotation circuit, a tailings storage facility that covered approximately 300 acres, a return water impoundment, an overburden dump, and a waste rock dump that covered approximately 500 acres.

Production from the open pit was approximately 11,000 tpd. Copper flotation concentrate was sent by rail to the ASARCO smelter in El Paso, Texas. Over the operating life of the mine, 38.1 million T of ore were mined and

processed, recovering 400 million lbs. of copper, 27,455 oz of gold and 759,000 oz of silver. See table below for the Sacaton mine historic production.

Sacaton Mine Historic Production (Fiscal Years Ended December 31)

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

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

During mining of the open pit, a waste dump was created through dumping of defined waste material. All oxide copper mineralization, and sulphide copper mineralization below the working grade control cutoff of 0.3% Cu, were deposited to the waste dump. The historic waste dump forms the basis of the Stockpile mineral resource modelled in the 2024 PEA Technical Report due to the level of mineralized material discarded.

During the operating period, ASARCO also sank a 2,000 ft (610 m) shaft just east of the pit to access the deeper east deposit. Development of the underground mine was suspended in 1981, and the site further suspended overall activity in 1984. Since the suspension of activity at the site in 1984, intermittently and per a site improvement plan ("SIP"), fixed equipment and rolling stock have been removed from the site, and fixed plant locations and the tailings disposal facility were covered with previously salvaged and stockpiled desert alluvial soil material and revegetated.

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

In 2005, ASARCO filed for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division (the "**United States Bankruptcy Court**"). By 2008, the United States Bankruptcy Court approved the process by which ASARCO would pursue the selection of a plan sponsor and sale of its operating assets.

During that year, and after a bidding process for the purchase of ASARCO's assets, Sterlite (USA), Inc. ("**Sterlite**"), a subsidiary of Vedanta Resources PLC, executed a purchase and sale agreement in the amount of US\$2.6 billion for ASARCO's assets. After the purchase and sale agreement was executed, copper prices began to decline, and by

October 2008, Sterlite representatives informed the United States Bankruptcy Court that the company could not honor the contract.

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

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

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

Geological Setting, Mineralization and Deposit Types

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

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

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

- A deposit wherein copper-bearing sulphides are localized in a network of fracture-controlled stockwork veinlets and as disseminated grains in the adjacent altered rock matrix.
- Alteration and mineralization at 0.6 mi (1 km) to 2.5 mi (4 km) depth are genetically related to magma reservoirs emplaced into the shallow crust 3.5 mi (6 km) to over 5 mi (8 km), predominantly intermediate to silicic in composition, in magmatic arcs above subduction zones.
- Intrusive rock complexes that are emplaced immediately before porphyry deposit formation and that host the deposits are predominantly in the form of upright-vertical cylindrical stocks and/or complexes of dikes.

- Zones of phyllic-argillic and marginal propylitic alteration overlap or surround a potassic alteration assemblage.
- Copper may also be introduced during overprinting phyllic-argillic alteration events.

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

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

Exploration and Drilling

ASARCO geologists first identified the Sacaton mine area in early 1961 while doing regional mapping and sampling in and around the Sacaton Mountains. A lone outcrop of altered and weakly mineralized granite encompassed by alluvium was the only indicator of the potential for porphyry copper-type mineralization in the surrounding area. Following its acquisition of mineral rights, ASARCO conducted several geophysical surveys, including magnetics and induced polarization ("IP"). The IP survey identified a large area just south of the outcrop with a chargeability response indicative of sulphide mineralization.

A six-hole drilling program was authorized and initiated in the fall of 1961. The first drill hole was located just north of the discovery outcrop, intersecting approximately 50 ft (15 m) averaging close to 0.5% Cu. The next four holes were drilled south, east and west of the first hole in the geophysical target area but did not hit significant results. The sixth and final budgeted drill hole (located to the northwest of the IP anomaly and the discovery outcrop) did intercept high grade mineralization — the discovery of the Sacaton West deposit. No further ground geophysics work was done at Sacaton by ASARCO. In 1962 through the first half of 1963, 82 more holes were drilled. These 88 holes outlined a north-easterly trending alteration zone approximately 4 mi (6.4 km) long and 1.5 mi (2.4 km) wide dominated by what was recognized as two potential ore bodies, the Sacaton West and Sacaton East deposits, as well as widespread intercepts of copper mineralization throughout. Low copper prices precluded any further exploration drilling at that time.

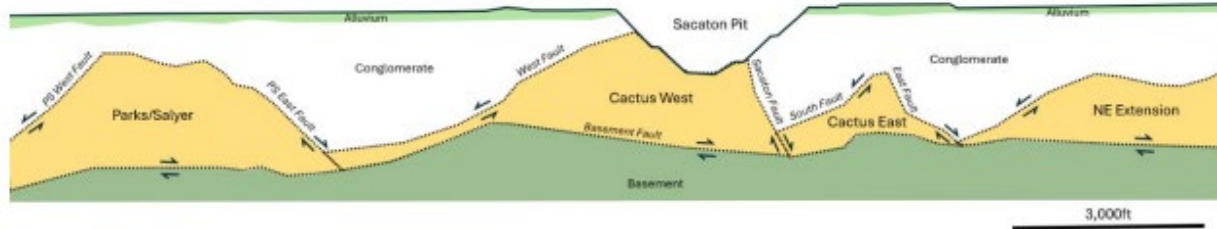
Improving market conditions prompted ASARCO to continue exploration drilling in 1968 and 1969, leading to 37 more holes being drilled. The additional information led to the decision to plan and develop the mine. An additional 10 holes were drilled (1970 and 1971) to sterilize areas under planned facilities.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

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

The Company conducted an ionic leach soil geochemistry program over the Parks/Salyer property in 2019 on 325 ft (100 m) spacing. This confirmed anomalous soil geochemistry across the property for copper, molybdenum, silver and gold and a general northeast trend of the higher anomalous values. The Company followed this work with two diamond drill holes in 2020 (ECP-018 and ECP-019). This extended mineralization a further 900-1,000 ft (275 – 305 m) to the northeast of previously drilled mineralization. Drilling resumed in late 2021 with hole ECP-042, continued

throughout 2021 and into 2022 with the completion of ECP-144, resulting in a total of 75 holes totaling 166,658.8 ft (50,797.6 m) of HQ core.

The figures below are a view of mineralized zones and a northeast oriented long section displaying the horst and graben block fault and mineralization interpretation along the 5.5 km mine trend, from the Parks/Salyer deposit in the southwest through to the northeast extension mineralization in northeast. Northeast movement along the basement fault was accommodated by block rotation and the formation of northwest trending normal faults.



Source: ALS GeoResources, 2025

The NE Extension is located 3,000 ft to the northeast of Cactus East. ASARCO defined the mineralized zone with wide spaced exploration drilling (> 1,000 ft) in 1962 and 1963 as part of the initial property-wide exploration program. The table below provides the significant intercepts for the two main holes drilled into the NE Extension mineralization. The Company has not performed any exploration programs on the NE Extension area to date. The Company drilled one exploratory drill hole into the extension in January 2023, intersecting mineralization consistent with previous drilling. In 2023, the Company identified that mineralization continued to the south of Parks/Salyer onto the MainSpring Property. The Company began drilling the MainSpring Property in late 2023 and continued through 2024 to define the deposit on the MainSpring Property as the up-dip southern extension of the Parks/Salyer deposit.

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

<u>Hole Id</u>	<u>MinZone</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Length (ft)</u>	<u>CuT (%)</u>	<u>Tsol (%)</u>
ECN-128	oxide	996.7	1,114.8	118.1	0.97	0.94
	enriched	1,182.6	1,334.0	151.4	0.46	0.38
	including	1,334.0	1,206.4	23.8	1.35	1.34
	primary	1,334.0	1,987.4	653.4	0.40	0.03
	including	1,419.0	1,469.0	50.0	0.55	0.04
	and	1,510.0	1,629.0	119.0	0.58	0.04
	and	1,733.3	1,752.3	19.0	1.60	0.10
S-68	oxide	1,016.50	1,044.50	28	1.27	n/a
	oxide	1,078.50	1,125.80	47.3	0.95	n/a
	oxide	1,161.00	1,208.80	47.8	3.05	n/a
	enriched	1,275.00	1,290.10	15.1	1.96	n/a
	enriched	1,322.40	1,354.10	31.7	0.97	n/a
	primary	1,354.10	1,526.00	171.9	0.38	n/a
S-64	oxide	1,093.90	1,104.20	10.3	1.01	n/a
	enriched	1,163.00	1,227.30	64.3	1.37	n/a
	enriched	1,333.70	1,350.90	17.2	0.89	n/a
	primary	1,350.90	1,776.00	425.1	0.34	n/a

The Company has focused its exploration by way of definition and expansion core drilling around the two known mineralized zones (now known as Cactus East and Cactus West). In 2019, the Company drilled two vertical PQ (4.95

inch or 12.57 cm) core holes into the Cactus East mineralized zone for verification of grade and metallurgical testing as part of the evaluation program prior to purchase. An additional vertical PQ core hole was drilled into Cactus East in 2020 for further metallurgical testing, for a total of 5,768 ft (1,758 m). Five angled HQ core holes totaling 9,252 ft (2,820 m) were drilled in late 2019 and 2020 around the northern and western edges of Cactus East to define and expand mineralization. Also in 2020, 11 angled HQ core holes totaling 15,377 ft (4,687 m) were drilled around the perimeter of the Cactus West pit to further define and expand Cactus West mineralization beyond the pit limits. Drilling activities conducted at Cactus East and Cactus West in 2021, 2022, and early 2023 upgraded most of the Inferred material in the Mineral Resource to Indicated and some to Measured.

The Cactus deposits are covered with post mineral alluvium and conglomerate, which may be up to 1,500 ft (457.2 m) thick. ASARCO rotary drilled through the cover alluvium and conglomerate and completed the remainder of the holes with NX/HX core tails. All of ASARCO's drill holes, exploratory and production holes within the developing pit were drilled vertically and very few were downhole surveyed. The Company started a similar program in 2019 on the first two (PQ) metallurgy holes but converted to coring the full hole after unsatisfactory results. Core recovery, on average, was greater than 95%.

When Elim (now ASCU) acquired the Sacaton Mine property in 2019 they found offices and warehouses containing desks and file cabinets filled with disorganized files and data sheets. There were two core sheds full of boxed core, samples, and sample pulps. The data was organized and paired with the physical core and samples in the core sheds to build a database of historical drilling from 1961 to the early 1980s.

Each drill hole was reviewed in turn and the associated data and samples validated to ensure that in total, the hole met CIM Best Practices Guidelines for inclusion in a NI 43-101 technical report. In total, 175 RC and Diamond drill holes were validated and used for subsequent MREs. Drilling completed by ASCU since has been consistent with these original data.

In late 2020, the Project successfully extended mineralization historically drilled at Parks/Salyer. Initially in 1996, two diamond drillholes totaling 3,753 ft (1,144 m) were drilled by ASARCO into the Parks/Salyer deposit, intercepting high grades of porphyry copper enrichment and primary sulfides. This drilling was a follow-up to previous drilling conducted to the south of the Project property in which porphyry copper mineralization had been intersected and the characteristics indicated that the potential higher grades should be located to the north. In late 2020, the Project undertook two exploration holes totaling 4,573 ft (1,394 m) that continued to hit high grade mineralization 800 ft (244 m) further to the north. In late 2021, the Project began an exploration diamond drilling (DD) program over Parks/Salyer, which through 2022 was expanded to cover the bulk of the interpreted deposit with 500 ft (152 m) spaced drilling. The Infill drilling process that was extended to include the MainSpring (i.e. Parks/Salyer South) area to the south continued through early 2025 and increased the entire database to 289 DD holes totaling 457,590 ft (139,474 m), bringing the defined Parks/Salyer resource to a mostly Indicated and some measured confidence levels. Additionally, 2 RC holes were drilled in the Parks/Salyer South area for a total of 2,080 ft (634 m) of drilling.

In 2019, 55 surface sonic drill holes totaling 5,120 ft (1,560 m) of 6-in diameter holes were drilled across the Historic Stockpile to support an initial resource based on approximately 750 ft (229 m) spaced drilling. Through late 2020 and early 2021, an infill surface sonic drill program was undertaken to reduce the spacing to 400 ft (122 m). Sonic drilling continued on the Project to ultimately reduce the spacing to 200 ft (61 m). The Mineral Resource database for the Historic Stockpile Mineral Resource contains 514 holes.

Sample Preparation, Analysis and Security

The Company has been primarily using Skyline Assayers and Laboratories ("Skyline Labs" or the "Lab") in Tucson, Arizona for their sample preparation and analysis. This laboratory is accredited in accordance with the recognized International Standard ISO/IEC 17025:2017, Certificate #2953.01. This accreditation demonstrates technical competence for a defined scope and the operation of a laboratory quality management system.

The Company uses a private contractor to ship samples to the lab in large heavy plastic totes. Upon arrival at the lab, totes are offloaded and stored. When the samples are ready to be processed, the bags are emptied into metal bins and the sample bags with tags placed on top. The bins and bags are placed in an oven at 220°F (105 °C) for 24 hours to dry before moving into the lab for processing.

Each sample is crushed in a TM Engineering – Terminator roll crusher to 75% passing ¼ inch. This material is passed through a riffle splitter and mixed three times to ensure homogeneity of the sample. If the sample is multi-colored the sample is re-mixed and split until the color is homogeneous. Three-quarters of the sample is then bagged, labelled, and returned to the Project as coarse reject. The remaining material is returned to the roll crushers and crushed to 95% passing -10 mesh. A 280-g sample of this material is put in a glass jar sealed, labelled, and returned to the Project. A 50-gram sample from the same trays as the jarred sample is put in Labtech LM2-P puck pulverizer and run to 95% passing -150 mesh. This sample is placed into labelled heavy paper envelopes and sent to the lab for assay.

At each step after crushing and pulverizing, every 20th sample is tested with a sieve to ensure that it meets requirements. The results of these tests are entered into a log and initialed by the operator. This log is kept up to date and is available for review by senior staff and the Project QP.

As a first pass, each sample was assayed for total copper (CuT) value. The pulverized samples were received from sample prep and a measured portion of the sample was digested in a mix of hydrochloric acid (HCl), nitric acid (HNO₃), and perchloric acid (HClO₄) on a hot plate for 15 minutes to 20 minutes. The sample was left to cool, rinsed with distilled water, and then digested in HCl for an additional 15 minutes on a hot plate. The sample was then cooled and sent to atomic absorption ("AA") analysis to return a CuT value.

To support potential heap leaching for metal recovery, a sequential acid leach assay procedure was conducted on each sample. These samples were first run using a digestion in 5% sulfuric acid (H₂SO₄) for 1 hour on a shaker table, then 15 minutes in a centrifuge before the liquid was transferred to a 250 ml flask. The residue was rinsed, and that liquid was used to top up the flask. The flask was sent to the assay lab for AA analysis to return an acid soluble copper value ("CuAS") value.

The residue from the centrifuge was then digested in 10% sodium cyanide ("NaCN") for 30 minutes on a shaker table. After 15 minutes in the centrifuge, the liquid portion was transferred to a flask and the residue was rinsed and that liquid used to top off the flask. That sample was sent to the assay lab for AA analysis to return a cyanide soluble copper ("CuCN") value. The remaining pulverized sample in the heavy paper envelope was returned to the Company together with the coarse reject.

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

The results of these analyses, including the QA/QC checks, are transmitted to a select set of individuals at the Company and the QP.

The QP revisited Skyline lab facilities in May of 2025. The purpose of this visit was to review all procedures described above to ensure that there have not been any material changes since previous visits. No real changes were noted and if anything, the overall process seemed more streamlined and cleaner. On a previous visit in December of 2024 the QP asked the managers of the sample prep and analytical departments about the handling of Ivanhoe Electric's (IE) samples from their Santa Cruz project. Like the Project, IE used Skyline Labs in Tucson for analysis of exploration core from the MainSpring portion of their Santa Cruz project, which neighbors the Project. Recently, the Project acquired physical drill core, assay records, and associated data from IE. After that visit the QP feels that the assay data received from IE are cleared to be used in conjunction with the Project's assay database and used for Mineral Resource estimates.

Data Verification

A portion of the Project drilling database was rebuilt from historical drilling logs and assay certificates from exploration and production drilling undertaken by ASARCO and others. Since 2019, the Project has drilled 946 new holes to support verification, metallurgical testing, and Mineral Resource extension for the new 2025 Project Mineral

Resource estimate. The Parks/Salyer Mineral Resource database holes are composed primarily of 289 new holes drilled between November 2021 and May 2025. In February of 2023, the Project acquired Parks/Salyer South immediately south of the Parks/Salyer property. Since the acquisition, the Project has drilled 83 holes on the Parks/Salyer South property. Prior to acquisition, Ivanhoe Electric (IE) had drilled 22 holes on the property. ASCU has acquired the physical core and all associated data, including assays and assay certificates for these holes. Also, within the Parks/Salyer South property boundaries there are two holes drilled by Bronco Creek Exploration Inc. (BCE) of Tucson, Arizona, a wholly owned subsidiary of EMX Royalties Corp. The Project has the physical core and all associated data, including assays and assay certificates for these BCE holes. All the drill holes in Parks/Salyer South, Bronco Creek, and that were involved in the data exchange with IE are included in the total of 289 shown above. Specific data verification work undertaken by the Company for the historical drill holes included the following:

- Verification of the collar locations.
- Reinstatement of downhole survey data drilled into the Cactus East deposit.
- Verification of drill hole locations and geological interpretations against historical cross sections and pit maps.
- Relogging of historical drill hole lithology, copper mineral zones, and alteration.
- Re-assaying of historical pulp samples to compare CuT grades and establish soluble copper contents confirming expected copper mineral zones and leachable copper mineralogies.

A modern QA/QC program was undertaken, and composed of duplicated, blanks, and standards, applicable to the 222 new Cactus drill holes, 289 new Parks/Salyer drillholes, and 514 new Stockpile drill holes undertaken by the Company since 2019, in addition to the re-assay program undertaken on historical pulps. Pulp duplicates were discussed earlier with respect to historical pulp samples and will feature in future programs on modern pulp samples.

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

Observation and checks completed by the QP included:

- Independent GPS check of collar location,
- Observation and check of downhole survey results,
- Observation of core logging and recording activities,
- Drill hole database checks, and
- Review of lab internal and the Company's random external checks using assay duplicates, prepared standards, and blanks (QA/QC) program.

The QP has reviewed the assay lab's procedures and QA/QC results in detail and finds that they meet all the expected standards and best practices as defined in CIM's Best Practices Guidelines 2019. The assay results and associated data meet the level of accuracy expected for the 2025 PFS and this report.

Mineral Processing and Metallurgical Testing

Metallurgical test work used for the 2025 PFS was based upon the 2024 PFS met work plus an additional 15 new columns. Test work to the date of this report shows good metallurgical recoveries from all Project deposits with no

deleterious elements. This consolidated testing for the 2025 PFS summarized in this report demonstrates an average of 75% of total copper extracted overall.

Feed material sources considered by the 2025 PFS include:

- Cactus West open pit containing oxide, enriched, and primary sulfide material.
- Parks/Salyer open pit containing oxide, enriched, and primary sulfide material.

The materials are believed to be suitable for conventional treatment in a heap leach, solvent extraction, and electrowinning (SX-EW) process facility to produce copper cathodes at LME Grade A quality standards ASTM B115-10 - Cathode Grade 1.

The 2025 PFS heap leaching process design includes crushing of all material types to a minus ¾ inch (19 mm) P80 size for leaching. All material types, oxides, enriched and primary are to be leached in on a single pad with an initial leaching cycle of 180 days. Total copper recovery of 75% is achieved in three 180 day leaching cycles.

Scalability has been considered by employing a 95% heap operation efficiency factor, allowing for inefficiencies in heap operations. The recommended copper recovery projections include this heap efficiency factor applied to the extraction obtained from the column testing. Based on the above, the recommended copper extraction estimates for use in evaluating the Project Mineral Resources are presented in the Table below.

Life of Mine Copper Recovery by Sequential Assay Fraction

Mineral Resource Area	CuT Recovery %	CuT Recovery % with 95% Factor
Leach (3/4" Crush)	83.7	79.5
Oxide (3/4" Crush)	81.8	77.7
Enriched (3/4" Crush)	84.2	80.0
Primary Heap Leach (3/4" Crush)	25.0	23.7
Life of Mine Total	79.2	75.2

The average gross acid consumption for all mineralized material included in the 2025 PFS mine plan, averages 18.5 lbs of acid per ton of material. Net acid consumption accounts for acid generated in the electrowinning process when copper is plated to product. Net acid consumption per ton of material is dependent on recoverable copper content with a stoichiometric conversion of 1.54 tons of acid generated per ton of copper plated in electrowinning. The net acid is 7 lbs/ton averaged over the life of mine.

Mineral Resource Estimates

The Project Mineral Resource estimate, including the Cactus East, Cactus West, Parks/Salyer deposits, and Historic Stockpile was calculated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum’s (CIM’s) Definitions Standards for Mineral Resources and Mineral Reserves. Mineral Resources for Parks/Salyer are inclusive of the MainSpring (i.e. Parks/Salyer South) extension of the Parks/Salyer deposit. It includes the results of drilling programs undertaken between 2019 and 2025. The estimate of the Mineral Resources supports Measured, Indicated and Inferred Mineral Resources for the Cactus West, Cactus East, Parks/Salyer deposits, and Inferred and Indicated Mineral Resources for the Historic Stockpile. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

All data coordinates are presented in NAD 83 ft. Zone 12 International Feet truncated to the last six whole digits for easting, and five whole digits for northing. All quantities are given in imperial units unless indicated otherwise. All copper values are presented in percentages.

Project Mineral Resources meeting the cut-off grades (CoG) for the Cactus West, Cactus East and Parks/Salyer deposits, and the Historic Stockpile are combined and reported in the table below.

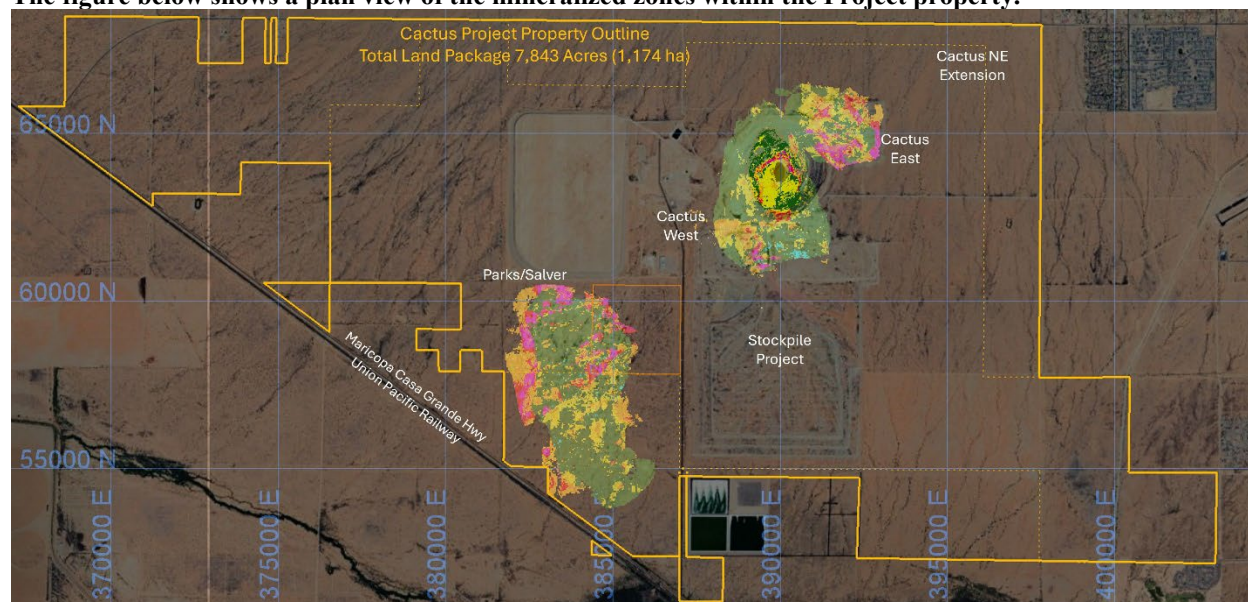
Total Measured, Indicated, and Inferred Mineral Resources

Material Type	ktons (kt)	CuT (%)	TSol (%)	Contained Total Cu (K lbs)	Contained TSol Cu (K Lbs.)
Total Resources					
MEASURED					
Total Leachable	101,500	0.91	0.79	1,853,400	1,605,800
Total Primary	29,900	0.42	0.05	251,000	30,200
Total Measured	131,400	0.80	0.62	2,104,400	1,636,000
INDICATED					
Total Leachable	658,000	0.48	0.42	6,354,900	5,580,200
Total Primary	353,400	0.36	0.04	2,535,900	270,900
Total Indicated	1,011,400	0.44	0.29	8,890,800	5,851,100
M&I					
Total Leachable	759,500	0.54	0.47	8,208,300	7,186,000
Total Primary	383,200	0.36	0.04	2,786,900	301,100
Total M&I	1,142,800	0.48	0.33	10,995,200	7,748,100
INFERRED					
Total Leachable	95,100	0.40	0.34	760,900	653,400
Total Primary	138,400	0.34	0.04	947,100	121,500
Total Inferred	233,400	0.37	0.17	1,708,100	774,100

Notes:

1. Reported Mineral Resources include Mineral Reserves reported in Section 1.14.
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. Historic Stockpile Mineral Resource estimates have an effective date of March 1, 2022, Cactus 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 processing cost of US\$2.24/t assuming 86.3% recoveries, enriched HL processing cost of US\$2.13/t assuming 90.5% recoveries, sulfide 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 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 Cactus 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 Sulfide 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 Sulfide open pit or underground material = 0.192% or 0.585% CuT respectively. Historic Stockpile cut-off = 0.095% TSol.
9. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, sociopolitical, marketing, or other relevant factors.
10. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there is insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource 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.

The figure below shows a plan view of the mineralized zones within the Project property.



Source: ALS GeoResources 2025.

Figure above: Plan View of Project Mineralization.

Capping

Composite assay data were reviewed to determine if there were sufficient high grades in the various populations to require capping of the high grades during compositing. The data was analyzed according to deposit area, material type, potential mining, and potential processing methods. Histogram and log normal cumulative probability plots were reviewed for CuT assays and TSol results in each of the mineral zones in the Cactus Project Mineral Resource. The results of this analysis for the Cactus East, Cactus West, and Parks/Salver deposits are presented in the table below.

Capping Levels for Cactus and Parks/Salver Estimation Domains

	Cactus East				Cactus West			
	Leached	Oxide	Enriched	Primary	Leached	Oxide	Enriched	Primary
CuT	0.15	3.80	3.75	1.00	0.16	1.30	2.75	1.00
TSol	0.14	3.60	3.50	0.15	0.12	1.20	2.70	0.12
CuAS	0.10	2.85	0.60	0.05	0.10	1.05	0.55	0.06
CuCN	0.03	0.75	3.00	0.11	0.04	0.50	2.30	0.085

I live	Parks/Salver				Parks/Salver South (MainSpring)			
	Leached	Oxide	Enriched	Primary	Leached	Oxide	Enriched	Primary
CuT	0.07	2.35	3.50	1.15	0.11	0.95	1.40	0.50
TSol	0.03	2.15	3.35	0.22	0.09	0.95	1.30	0.08
CuAS	0.03	2.05	0.35	0.04	0.04	0.94	0.45	0.03
CuCN	0.03	0.30	3.05	0.11	0.07	0.38	1.24	0.05

For the Historic Stockpile, histogram and log normal cumulative probability plots were reviewed for CuT, CuAS, CuCN, and TSol assays. Cut-offs were defined within individual Historic Stockpile lifts and ranged between 0.43% to 0.65% for CuT, 0.33% to 0.50% for CuAS, 0.10% to 0.29% for CuCN, 0.40% to 0.59 for TSol, and 0.40 to 1.68 for Ca.

Mineral Resource Cut-off Grades (CoGs)

To meet a Reasonable Expectation of Eventual Economic Extraction (REEEE) requirement, as stated in CIM 2019 Best Practices. The 2024 PFS cut-off grades (CoGs) were applied to a potential expanded open pit across the Cactus East and Cactus West deposits with an underground extension at Cactus East. There was a potential open pit at the Parks/Salyer deposit encompassing the Parks/Salyer South, with a potential additional underground extension.

The Project requested that AGP Mining Consultants (AGP) create open pits using Lerch Grossman Optimization software and a \$4.20 copper price, constrained within the Project private and State land positions to define the new reportable Mineral Resource for the 2025 PFS. Two pits were created, one to cover the Cactus West and Cactus East deposits and another for the Parks/Salyer deposit. Designs for these same pits were also run with the new Mineral Resource model at a \$3.75 copper price for comparison with previous Mineral Resource estimates.

Conceptually, copper from oxide and enriched material in the open pits would be recovered in a HLP. Therefore, CoGs in the amenable oxide and enriched zones were based on Total Soluble (TSol) assays. CoGs for the sulfides in the primary material were based on Total Copper (CuT) assays.

Additional Mineral Resources outside of the optimized pits in Cactus East and Parks/Salyer have the potential to be amenable to underground mining. The table below shows the reporting cut-off grades that were used for each of the Mineral Resource areas.

There are NSR royalties of approximately 2.5% payable on the Project private lands included within the Cactus West and Cactus East deposits and the original Parks/Salyer deposit. The northeastern portion (160 acres) of the Parks/Salyer Deposit is subject to a State NSR royalty of a sliding scale of 2 - 8% (in the 2025 PFS financial model, 2% was assumed) as well as an additional 0.5% NSR royalty to Bronco Creek Exploration Inc. The Parks/Salyer South (formerly known as MainSpring) is not subject to any royalties and therefore has a slightly lower cut-off grade. The following table presents the Cactus Property Royalty Ownership Map.

Cut-off Grades Used for Reporting Mineral Resources

Material Type	Cut Off Assay	Cactus Open Pit	Cactus Underground	Parks/Salyer South Open Pit	Parks/Salyer South Underground
Oxide	TSol	0.087%	0.483%	0.085%	0.471%
Enriched	TSol	0.081%	0.459%	0.079%	0.447%
Primary	CuT	0.197%	0.600%	0.192%	0.585%

The Historic Stockpile Mineral Resources were defined using a CoG of 0.095% TSol.

Mineral Reserve Estimates

The Mineral Reserve estimates are based on the conversion of Measured and Indicated Mineral Resources from two surface mining sources of mineralized material: Parks/Salyer and Cactus West. Mineral Reserves are reported from engineered mine designs and the life of mine (LOM) plan. A total Mineral Reserve estimate of 512.9 million tons at 0.52 CuT%, containing 5,304 M lbs Cu has been scheduled. The Mineral Reserves, Proven and Probable, for the Parks/Salyer and Cactus West open pits are presented in the table below.

Mineral Reserve Estimates

Metal	Unit	Cactus West Open Pit	Parks/Salyer Open Pit	Total
Proven	Tons (k tons)	21,200	43,055	64,256
	CuT (%)	0.30	1.03	0.79
	CuAS (%)	0.04	0.11	0.09
	CuCN (%)	0.15	0.76	0.56
	Cu (M lbs)	129	890	1,019
Probable	Tons (k tons)	117,903	330,700	448,603
	CuT (%)	0.33	0.53	0.48
	CuAS (%)	0.10	0.11	0.11
	CuCN (%)	0.10	0.35	0.28
	Cu (M lbs)	778	3,506	4,285
Proven + Probable	Tons (k tons)	139,104	373,755	512,859
	CuT (%)	0.33	0.59	0.52
	CuAS (%)	0.09	0.11	0.11
	CuCN (%)	0.11	0.40	0.32
	Cu (M lbs)	907	4,396	5,304

Notes:

- Mineral Reserves have an effective date of September 17, 2025. The Qualified Person for the open pit estimates for Parks/Salyer and Cactus West is Gordon Zurowski of AGP Mining Consultants Inc.
- The Mineral Reserves were estimated in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves
- 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:
- Metal prices of Cu \$4.25/lb
- 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.
- General and administration costs of \$0.40/t processed.
- Spatially variable royalty costs of 2.50%, 2.54% and no royalties for parts of Parkes/Salyer and 2.54% for Cactus West
- Process recoveries which are variable based upon total soluble copper grade (CuAS + CuCN).
- Open pit geotechnical design criteria from Call & Nicholas
- Open pit mining costs including an escalation factor with pit depth and variable base costs by material type to reflect differing blasting requirements.
- No allowance for mining dilution or ore loss has been provided in the open pit mining inventories.
- 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. The effective cut-off grade for oxide and enriched ores is 0.09% TSol, and for hypogene ores 0.17% CuT.
- The life-of-mine (LOM) stripping ratio in tons is 3.3:1.
- All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

No dilution is applied to the mining of the Cactus West and Parks/Salyer deposits. The Mineral Resource block model for the Cactus West and Parks/Salyer deposits have block dimensions of 40' x 40' x 40' and the nature of the ore body and cut-off grades is such that ore-waste contacts are relatively infrequent and gradational in nature. It was determined that the Mineral Resource block model is suitable for use in stating Mineral Reserves without any secondary factors for ore loss or dilution applied.

Factors that may affect the Mineral Reserve estimates include: changes to the commodity price assumptions; changes to pit slope and geotechnical assumptions; unforeseen dilution or ore losses; changes to hydrogeological and pit dewatering assumptions; changes to inputs to capital and operating cost estimates; changes to operating cost

assumptions used in the constraining pit shell; changes to pit designs from those currently envisaged; stockpiling assumptions; changes to planned mining methods; and changes to modifying factor assumptions, including environmental, permitting, and social license to operate.

Mining Operations

The Cactus West deposit lies adjacent to and beneath the historically mined Cactus (Sacaton) Pit while the Parks/Salyer deposit is centered approximately 8000 ft (2400 m) to the south-west of the Sacaton pit. Parks/Salyer has not been historically mined. It is covered by a sedimentary deposit of alluvium and Gila Conglomerate which varies in depth from 200 ft (60.96 m) at the south to 1300 ft (396.24 m) at the north.

After reviewing various mining methods, open pit mining with conventional equipment was chosen as the preferred mining method for the two pit areas. This is based on the size of the 2025 PFS Mineral Resource, tenor of the grade, grade distribution and proximity to topography for the deposits.

Heap leach processing in the 2025 PFS mine schedule involves all copper-bearing material types from Parks/Salyer and Cactus West being processed after multi-stage crushing.

The 2025 PFS mining schedule includes a two-year pre-stripping period where 90M tons are mined before ore crushing begins. The ore crushing period lasts for twenty years, with annual crushing rates typically 28M tons per annum, but reducing to as low as 18M tons per annum in years of sustained higher grade to avoid building large heap leach copper inventories which exceed the ability of the electrowinning plant to process. The overall mining and waste stripping schedules have been optimized under this constraint.

Parks/Salyer is mined exclusively for the first 15 years of the mine schedule (the first 13 years of ore crushing). Mining ramps up to the peak ex-pit mining rate of 175M tons per annum in Year 2. Mining rates are held slightly below this level for approximately 6 years before declining steadily to as low as 28M tons mined in Year 13 as the northern areas of Parks/Salyer near completion and surface space becomes constrained.

The northern sections of Parks/Salyer are completed in Year 13, allowing for backfilling of Parks/Salyer to begin in Year 14. At this time, mining rates increase again to 95M tons per annum, with stripping of Cactus West commencing in conjunction with the continued mining of the southern portions of Parks/Salyer. The southern section of Parks/Salyer is completed in Year 16, while Cactus West is completed in Year 20.

Waste from open pits will be placed into multiple locations, with the entire available land package from the western edge of the historical TSF to the southern, eastern and northern extents of the property being filled with waste materials to a height not exceeding 300 ft (91 m) above original ground. A dump height constraint related to the nearby Casa Grande airport has been respected, meaning that on the north-east side of the property, dump heights are as low as 100 ft, with the western and far southern portions of the dumping areas achieving the average height of 270 ft (82 m). Dumps will be constructed with 3:1 horizontal to vertical outside slopes when abutting property boundaries. Dump slopes facing internal areas (such as around the Cactus West open pit), will be constructed at steeper slopes of 2:1 horizontal to vertical to increase capacity during operations, with the expectation that they will be re-sloped for closure after operations have completed.

There are six discrete surface waste dumps, with much of the capacity contained in one large contiguous dump (the Main Dump) covering the eastern part of the land package. This dump receives 1,142 M tons of waste over the course of the mine schedule. For scheduling purposes, this dump is sub-divided into 5 sub-phases which are sequenced throughout the mine life as required to manage infrastructure relocations and balance trucking demand. There are also three discrete waste dumps in the south-east corner of the property package which are bisected by natural gas pipelines. These dumps together receive 179 M tons of waste in the mine schedule. The Phase 2 Leach Dump is located south of the HLP and west of the Parks/Salyer Pit. This dump receives 126 M tons of waste in the mine schedule. The final waste dump utilized in the mine schedule is the Parks/Salyer Backfill dump. This dump becomes available in Year 14 as the northern end of Parks/Salyer (Phase 5) is completed. An estimated 249 M tons, primarily from Cactus West and Parks/Salyer South (Phase 6) is placed into the exhausted pit as backfill. Total waste generated in the mine schedule is 1,696 M tons.

Waste materials generated from mining Parks/Salyer and Cactus West will be composed of predominantly Gila Conglomerate (67%) and Alluvium overburden (15%) with the remainder being granite and other porphyry rock or dykes with lower copper grades (18%). A portion of the historical tailings facility (approximately 16 M tons of tails and dam materials) will be mined out and co-disposed in the waste dumps to facilitate mining the later stages of Parks/Salyer open pit.

All waste originating from rock types other than Gila or Alluvium will be placed either into Parks/Salyer pit or into the Main Dump where it can be encapsulated with Gila and Alluvium material types, if required. A detailed encapsulation and sequencing plan has not been completed for this material, but with approximately 243 M tons of Granitic waste out of 1,142 M tons of total waste placed into the Main Dump it is expected to be feasible to encapsulate the material operationally, if required. An estimated 60 M tons of granitic waste, primarily sourced from Cactus West, is placed into the Parks/Salyer Pit. A portion of the total 303 M tons of granitic waste, is potentially mineralized (including Inferred material) which could become eligible for processing in the future, reducing the quantity of this material managed as waste rock.

Ore stockpiles are planned around the rim of the Sacaton Pit, partially inside the limits of the planned Cactus West Pit. These stockpiles will enable improved control of the grade and material characteristics delivered to the leach pad, while also providing some short-term redundancy for process feed. Stockpile inventories have been maintained to relatively low levels generally not exceeding 20 M tons, partly because of deferred stripping and partly as a result of surface constraints which will require exhausting the majority of the stockpiles before Cactus West is mined.

Open pit designs were completed in Hexagon's MinePlan software according to geotechnical design parameters provided by Call & Nicholas, with design assumptions for road and minimum mining widths provided by AGP. Parks/Salyer consists of seven phases, while Cactus West consists of two phases. Both Parks/Salyer and Cactus West will be mined using 40 ft (12.1 m) single benches, with ramps sized to allow 320-ton class haul trucks. At Parks/Salyer, all walls except Alluvium slopes have been designed with 45-degree inter-ramp slopes, while geotechnical step-outs are employed to reduce the overall slope to approximately 40 degrees. Alluvium slopes are designed at 40 degree inter-ramp slopes. At Cactus West, inter-ramp slopes range from 42–50 degrees depending on material type, with typical overall slope angles of 41-43 degrees. The slope designs are based on the assumption that controlled blasting will be implemented, and horizontal depressurization drains will be installed to achieve the recommended slope parameters.

Primary production drilling will be completed with a peak of eleven down the hole hammer (DTH) drills using 8 in (203 mm) bits. This will provide the capability to drill patterns for either 20 ft (6.1 m) or 40 ft (12.2 m) bench heights. Two smaller drills using 5 ½ in (140 mm) bits will be utilized to perform wall control drilling in the form of buffer patterns and inclined holes for passive wall depressurization.

It should be noted that when Gila Conglomerate is being mined, a portion of that has been considered to be free dig while the remainder is drilled and blasted on an expanded pattern. The portion of free dig Gila Conglomerate is 20% for the Parks/Salyer pit and 46% for the Cactus West pit. The Gila drilling requires a slightly longer hole due to increased subgrade drilling.

Production mining will be completed with six 45 yd³ diesel hydraulic shovels, two 40.5 yd³ loaders, and a peak of fifty-four 320-ton rigid body trucks. The support equipment fleet will be responsible for the usual road, pit, and dump maintenance requirements and is composed of 18-ft graders, track dozers, and assorted auxiliary fleet.

Processing and Recovery Methods

The basis of the 2025 PFS design for material handling equipment is an annual operating throughput of 28,000,000 dry tons of ore per year placed on the HLP. The design basis for the initial tankhouse nameplate is copper cathode production of 70,000 tons per year. The cathode production capability will expand to 140,000 tons per year between three (3) and four (4) years with a second tankhouse of equal capacity.

The 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 SX-EW plant process design will include three extraction settlers, one strip settler and tank houses.

Material will be mined and transferred by haul truck to the crushing circuit where it will be crushed to P₈₀ minus ¾-in (19 mm). Product from the crushing circuit will be transferred to the lined HLP to be placed in 30 ft lifts. Trucks and a dozer will be used to place material on the pad for the first lift. Conveyors and stacking equipment may be added in year four (4) at the discretion of the operations team.

Leach solution, containing dilute sulfuric acid will be pumped and applied to the top of each lift and allowed to percolate through the copper leach material. Copper is dissolved into the solution to create pregnant leach solution. The height of the leach material on the pad will eventually reach approximately 250 ft (76 m) in overall height.

The pregnant leach solution from the heap leach ponds will be pumped for processing in a copper SX-EW plant capable of producing initially up to 70,000 t/y of copper cathodes with a design PLS flow of up to 21,800 gpm in series parallel configuration.

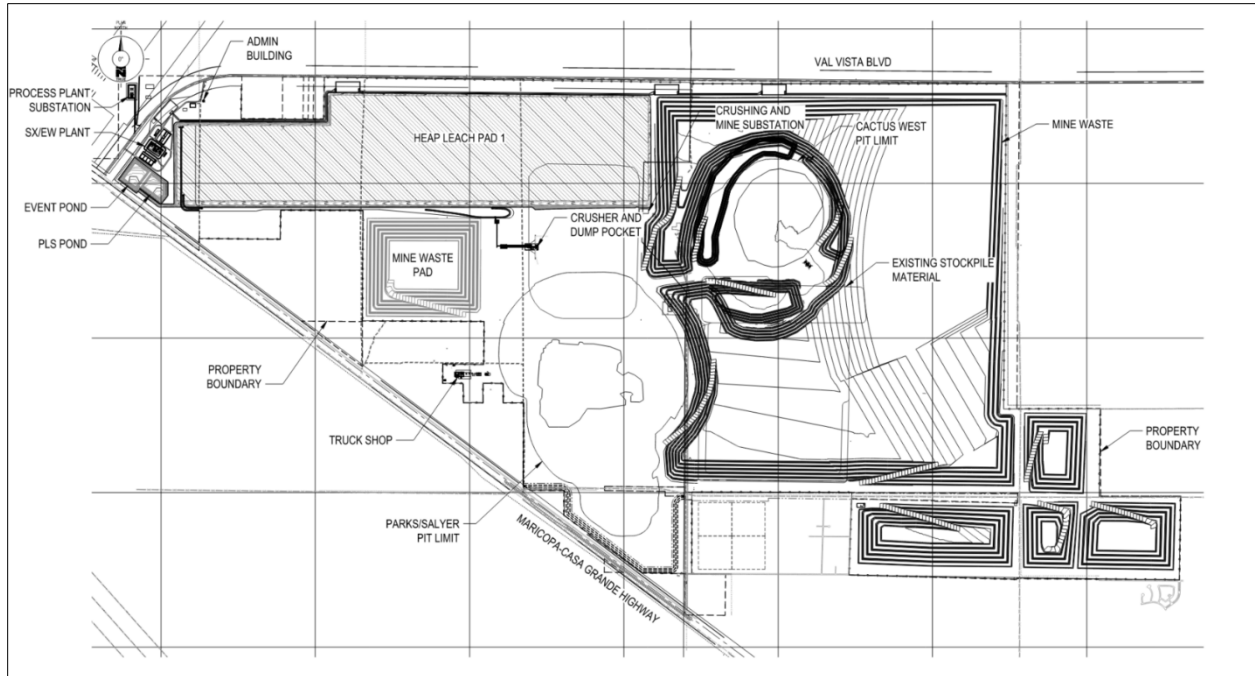
Infrastructure

Project Infrastructure

The Project, located at the historic Sacaton Mine, is 40 road miles southeast of the Greater Phoenix metropolitan area and 6 miles northeast of the city of Casa Grande in Pinal County, Arizona. The site is accessible from West Maricopa Casa Grande Highway (Highway) via Bianco Road, a 2.2-mile paved access road. The site will require the following facilities as listed below and shown in below:

- 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 including the crushing facilities, SX-EW process plant, reagents storage, process plant maintenance workshop, warehouse, and freshwater infrastructure.
- HLP, ponds, and associated equipment.
- Power supply, distribution, and associated electrical rooms.
- Ancillary facilities including a guardhouse, main administration trailer, and weighing scale.
- Catchments, ponds, drainage, and other surface water management infrastructure

An overall site layout is provided below in Figure 13.



Source: M3, 2025

Figure above: Overall Site Layout

Heap Leach Facility (HLF)

HLF Phase 1 has been designed for a capacity of 475 million short tons (M tons) of ore processing using heap leaching technology. These tonnage capacities were evaluated based on the current HLF layout and design criteria developed for the Project on property controlled by Cactus 110 LLC. The current LOM is estimated at 20 years.

The HLF will be constructed in construction phases within the first 3 years to complete an approximate final liner footprint area of 48.6 million square feet and will support approximately 475 million tons (short tons) of leach material. It is designed to be operated as a fully drained system with no leachate solution storage within the pad. The HLF has a composite liner system to mitigate seepage to the environment. Above the liner system is a series of solution collection pipes encapsulated in an overliner to rapidly collect pregnant solution and transport it to the double lined pregnant leach solution (PLS) pond. There is no raffinate pond associated with this HLF as the raffinate solution will be routed to a tank for reapplication to the HLF. In addition, PLS Pond will be double lined with capacities to contain) operational pumping heads required, and emergency 24-hour drain-down during power outages (with back-up power sources installed) for the total pad design during the various phases of operations. Crushed ore feed material will be stacked in 30 ft lifts to a maximum height of 250 ft with overall exterior slopes of 3.0:1. The collected pregnant solution will be pumped to the SX-EW circuit. Any overflow from the PLS Pond will utilize the storage in the adjacent event pond.

Environmental, Permitting, and Social Considerations

The Project includes legacy environmental issues related to the former ASARCO Sacaton operations that have been addressed by Arizona Department of Environmental Quality (ADEQ) as part of the ASARCO bankruptcy settlement with the state. ADEQ, through a Prospective Purchaser Agreement (PPA), has released ASC-USA and its affiliates from any potential liability associated with the legacy environmental issues at the site. Permitting is limited to State of Arizona-required permits including the Aquifer Protection Permit and the Mined Land Reclamation Permit which

the Project has received from State regulators. Modifications of each will be required to address changes in the mine plan presented in the 2025 PFS.

Arizona Sonoran 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 Project. There is no significant opposition to the Project.

Environmental Considerations

In 2009, approximately 15 years after the historic ASARCO Sacaton Mine ceased operation, the mine was conveyed to the ASARCO Multi-State Environmental Custodial Trust (the Trust) as part of ASARCO bankruptcy proceedings. The Trust entered the property into the Voluntary Remediation Program (VRP) with ADEQ in 2010. In the following years, structures were demolished and reclaimed, and characterization studies were conducted. Based on the results of the characterization studies and reclamation work, in August 2019, Elim Mining USA (now ASCU-USA), entered into a PPA with ADEQ. The PPA, which ADEQ issued because of the substantial public benefit to the remedial work conducted at the site, released ACU-USA (then Elim Mining USA) and its affiliates from potential liabilities related to existing, known contamination under CERCLA, WQARF, and RCRA. The PPA does not cover unidentified environmental conditions or contamination.

Closure and Reclamation Considerations

A Mined Land Reclamation Permit (MLRP) was issued by the state in 2023, and an Amended Aquifer Protection Permit (APP) was issued in 2021, based on the Project's 2024 PFS design. The Project has posted a bond of \$4,797,829 for the MLRP reclamation costs and has a \$1,144,576 bond with APP that has not been posted yet but will be posted prior to construction. The Project will need to amend these permits to reflect changes from the 2025 PFS. The APP will cover closure and remediation of the leach pads, which consists of rinsing and capping the leach pads, and the ponds, which consists of draining and treating any residual fluids, then removing the liners. The MLRP covers the removal of any buildings, scarification and revegetating existing roads, capping of waste rock disposal sites, and safeguarding access to the pit and any underground access.

The Project estimates that the new closure bond estimates for both the APP and MLRP will be \$25,000,000 based on the increase in production from the Parks/Salyer deposit and the increase in leach pads and waste rock disposal.

Social Considerations

In keeping with Arizona Sonoran's community engagement and partnership standards, the Project will be developed with a plan to establish and maintain the support of its host communities. Community outreach commenced at the earliest stages of the Project, with continuing evaluation and building of partnerships within the community. As the Project's permits will involve a public process and are based on the State's prescribed permit submission and review schedule, Arizona Sonoran understands the importance of continuing community outreach during the permitting process and throughout the life of the mine. Arizona Sonoran is encouraged by the positive response to the Project from the community. Its status as a "brownfield" project makes it potentially more appealing than a new mine might be.

Capital and Operating Cost Estimates

Capital Cost Estimate

The capital cost estimates for the 2025 PFS were developed with an accuracy of -20% to +20% and an estimated contingency of 18% for processing and 5% for mining 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 facilities at the mine site will consist of an open pit, SX-EW process plant, conveying, crushing, and screening equipment, site sub-stations, site power distribution, access roads, HLF and associated infrastructure.

ASC-USA has engaged third-party consultants to contribute to the total Project scope of work and overall capital cost estimate. On behalf of ASC-USA, M3 incorporated the third-party contributions into an overall Pre-Feasibility Study cost estimate.

All third-party contributors are accountable for the development and quality of their cost estimates, which will be inclusive of all direct costs, growth allowances, the Project indirect costs, and associated contingency within their scope of work, but separately identified. Each aligns with the overall Project WBS numbering system.

The total initial capital cost for the Cactus Project is US\$977 million and the LOM sustaining cost including financing is US\$1,327 million. There are final payments under loans related to the 2025 land purchases that are expected to be paid out in full in the first year of production, totaling \$92 million.

The table below provides a summary of the capital cost estimates for the Project.

Total Estimated Project Costs Summary

Area	Detail	Initial CAPEX (\$000s)	Sustaining CAPEX (\$000s)	Total CAPEX (\$000s)
Direct Costs	Mine Costs	224,294	546,407	770,701
	Processing Plant	335,651	532,958	868,609
	Infrastructure	123,425	36,275	159,699
Indirect Costs		149,677	44,892	194,569
Owner's Costs		24,137	0	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	194,398
Total CAPEX with Contingency		976,977	1,327,288	2,304,265

Estimated closure requirements inclusive of all necessary demolition, rehabilitation, revegetation, earth grading/contouring, scrap metal disposal/tipping fees, as well as post-closure monitoring. The total closure cost was calculated to be US\$25M, with salvage credits of US\$226M.

Operating Cost Estimate

The total operating cost for the Project is estimated to be \$9.79/st of ore processed or \$1.26/lb of cathode copper as shown in the table below. The Project operating costs include mine operating, process plant operating, and general and administrative costs (G&A). Total production cost adds royalty expenses to the operating cost and is estimated to be \$10.42/st of ore processed or \$1.34/lb of cathode copper. The All-In Sustaining Costs (AISC) and the All-In Costs (AIC) additionally include initial Capex, sustaining Capex, reclamation & closure, estimated salvage value, and property & severance taxes estimated to be \$2.01/lb of cathode copper. A summary of these cost estimates is presented in Table 1-7, with further details provided in Section 21.

Estimated Operating Cost, All-In Sustaining Costs and All-In Costs

Cost Elements	LOM		
	Total Cost (\$M)	\$ / st Processed	\$ / lb Copper
Mine Operating Cost (excl: Pre-Strip cost)	\$3,518	\$6.86	\$0.88
Process Plant Operating Cost	\$1,297	\$2.53	\$0.33
G & A	\$205	\$0.40	\$0.05
Operating Costs	\$5,021	\$9.79	\$1.26
Royalties	\$324	\$0.63	\$0.08
Total Production Costs	\$5,344	\$10.42	\$1.34
Sustaining Capex	\$1,327	\$2.59	\$0.33
Reclamation & Closure	\$25	\$0.05	\$0.01
Salvage	-\$226	-\$0.44	-\$0.06
All-In Sustaining Costs	\$6,471	\$12.62	\$1.62
Property & Severance Taxes	\$579	\$1.13	\$0.15
Initial Capex (non-sustaining)	\$977	\$1.90	\$0.24
All-In Costs	\$8,027	\$15.65	\$2.01

Economic Analysis

Economic Summary

The economic analysis was performed assuming an 8% discount rate. On an after-tax basis, the 2025 PFS estimates an NPV8% of US\$2,301 million, the internal rate of return (IRR) of 22.8%, and a payback period of 5.3 years. A summary of the Project economics is tabulated in the table below.

Economic Analysis Summary

General	Units	LOM Total / Avg.
Copper Price	US\$/lb	4.25
Mine Life	Years	20
Heap Operating Life	Years	22
Total Mineralized Material Processed	K _{st}	512,859
Total Waste	K _{st}	1,695,691
Avg. CuT	%	0.517
Avg. CuAS Head Grade	%	0.107
Avg. CuCN Head Grade	%	0.317
Production	Units	LOM Total / Avg.
Total Payable Copper	M lb	3,987.8
Annual Payable Copper (Years 1-20)	M lb/y	198
Operating Costs	Units	LOM Total / Avg.
Mining Cost	US\$/st processed	6.86
Mining Cost	US\$/lb copper	0.88
Processing Cost	US\$/st processed	2.53
G&A Cost	US\$/st processed	0.40
Operating Cash Costs*	US\$/lb Cu	1.26
C1 Cash Costs**	US\$/lb Cu	1.34
C3 Cash Costs (AISC)***	US\$/lb Cu	1.62
Capital Costs	Units	LOM Total / Avg.

Initial Capital (Incl. Capitalized Opex)	US\$M	977	
Sustaining Capital	US\$M	1,327	
Closure Costs	US\$M	25	
Salvage Value	US\$M	-226	
Capital Intensity	\$/tonne Cu pa. (years 1-20)	10,894	
Financials	Units	Pre-Tax	After-Tax
NPV (8%)	US\$M	3,243.9	2,301.3
IRR	%	26.8	22.8
Payback	Years	4.9	5.3

*Operating cash costs consist of mining costs, processing costs, and G&A.

**Total production costs consist of operating cash costs plus transportation cost, royalties, treatment, and refinancing.

***AISC consists of total cash costs plus sustaining capital, closure cost, and salvage value.

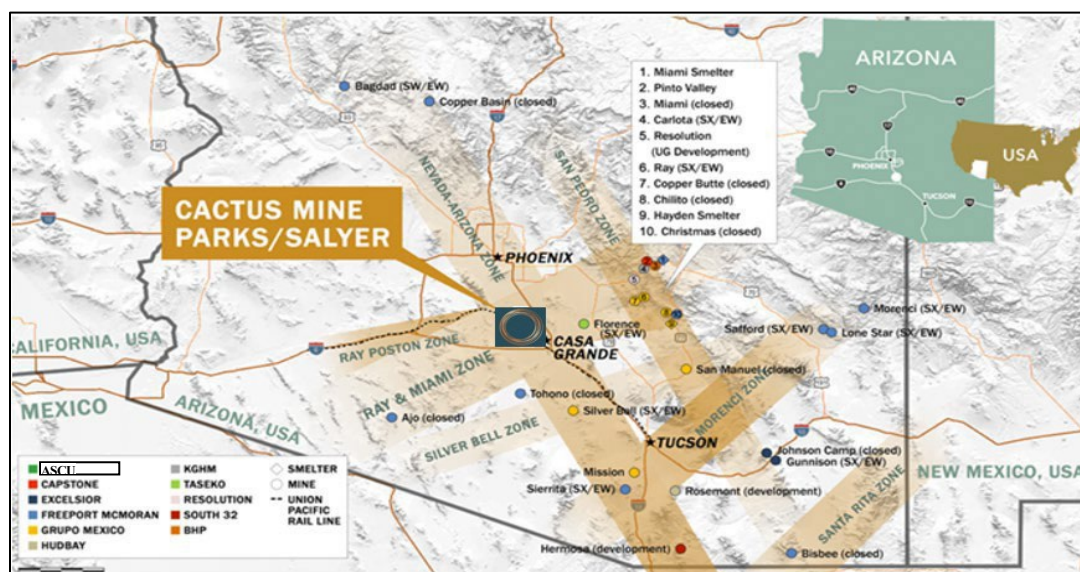
Sensitivity Analysis

A sensitivity analysis was conducted on the 2025 PFS base case after-tax NPV8% and IRR of the Project using the following variables: metal price, operating cost, capital cost and metal recovery.

The sensitivity analysis revealed that the Project is most sensitive to commodity price and copper recovery. The Project is moderately sensitive to operating cost and less sensitive to initial capital cost.

Adjacent Properties

The nearest adjacent mineral property is the Santa Cruz copper porphyry deposit, located just over 2 miles (3 km) south of the Project site and 7 miles (11 km) west of Casa Grande, Arizona. Deposit information obtained from an abstract of the Geology of the Santa Cruz Porphyry Copper Deposit by Henry G. Keis (2020), ASARCO, Incorporated, Tucson, Arizona, reports that the associated alteration and mineralization in the Santa Cruz copper porphyry, including that of fault-displaced portions like the Cactus Project, spans about 7 miles (11 km) in length and about a mile (1.6 km) in width. Ivanhoe Electric Inc. (IE) filed a S K-1300 compliant Technical Report of their Mineral Resource Estimate for Santa Cruz on 23 June 2025. The 2025 PFS QP was able to visit IE’s core shed and view selected core from the Santa Cruz property. The combined knowledge from review of the IE Santa Cruz Technical Report and viewing the core confirmed that mineralization at Santa Cruz is very similar to the mineralization of the Project.



Source: Arizona Sonoran, 202x

Figure above: Regional Copper Mines and Processing Facilities

Conclusions and Interpretations

The total Measured and Indicated Mineral Resources estimate for the Project is 1,143 M tons of combined leachable and primary mineralogies, averaging 0.48% copper for a total of 11.0 billion lbs of copper.

Based on applicable assumptions and parameters presented in this report, the Pre-Feasibility Study shows positive economics (i.e. after-tax NPV of US\$2.30 B and 22.8% after-tax IRR). Accordingly, the 2025 PFS supports a decision to carry out additional detailed studies.

Recommendations

The table below provides a summary of all major recommended works proposed to be completed in support of future detailed engineering studies and field work to advance the Project through a Definitive Feasibility Study. The recommended budget of \$22.4M and the scope for all work listed below in Table 1-9 is summarized in Section 26.

Scope and Budget Summary for Recommendations

Items	(\$M)
Drilling, Assay Testing, and Reporting	\$2.25
Monitor Wells, Dewatering, Water Supply Testing	\$0.95
Surface Water Management Design	\$0.1
Geotechnical Drilling HLF West Extension	\$1.1
Mine Capital and Operating Cost Estimation	\$0.2
Mine Geotechnical Engineering, Slope Designs	\$0.8
Mine Pit Design, Scheduling, Blasting Study	\$0.3
Transportation Study	\$0.1
Heap Leach Facility Design	\$0.1
Metallurgical Testwork	\$2.0
Early Works Contract Development	\$0.2
DFS Study Management, Process Plant Engineering, Procurement Support	\$2.1
Total	\$10.20

RISK FACTORS

The Company's business, being the identification, acquisition, exploration, development and production of base metal properties in geographic regions known to have low geopolitical risk, and the present stage of exploration and development of the Company's mineral properties, is speculative and involves a high degree of risk. The risk factors listed below could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

Volatility of Copper Prices

The Company's future development plans and its ability to commence and sustain operations in the future are dependent on, amongst other things, the market price of copper. The prices of copper prevalent and that are likely to be realized by the Company will affect future development, construction and production decisions, earnings, cash flows, the financial condition and prospects of the Company.

The market price of copper is affected by numerous factors beyond the Company's control. Some factors that affect the price of copper include: industrial demand; forward or short sales of copper by producers and speculators; future levels of copper production; and rapid short-term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Copper prices are also affected by macroeconomic factors including:

confidence in the global economy; expectations of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the strength of, and confidence in, the US dollar, the currency in which the price of copper is generally quoted, and other major currencies; global political or economic events; and costs of production of other copper producing companies. All of the above factors can, through their interaction, affect the price of copper by increasing or decreasing the demand for or supply of copper.

The price of copper has fluctuated widely in recent years, and any future material price declines could cause the development and restart of the Cactus Project to be uneconomic. Depending on the expected price of copper, projected cash flows from planned mining operations may not be sufficient to warrant commencing development or mining, and the Company could be forced to discontinue plans of development, or delay or abandon making a construction or production decision. The Company may be forced to sell one or more portions of the Cactus Project to generate cash. Any future production from the Cactus Project will be dependent on a price of copper that is adequate to make a deposit economically viable. Furthermore, future mine plans using significantly lower copper prices could result in material write-downs of the Company's investment in the Cactus Project and in reductions in Mineral Resource and Mineral Reserve estimates. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

Further a declining or sustained low price of copper could negatively impact the Company's ability to finance the exploration and development of the Cactus Project.

Although the price of copper is only one of the several factors that the Company will consider in making development, construction and production decisions in relation to the Cactus Project, if the Company determines from a reassessment that the Cactus Project is not economically viable in whole or in part, then operations may cease or be curtailed and the Cactus Project may never be fully developed or developed at all. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

Demand for Copper and Industry Conditions

Copper has a number of different applications, including being used in wiring and cable products, copper tubing and the transportation industry. The projected medium-long term demand for copper is expected to be driven significantly by amongst other factors, the current anticipated global energy transition to renewable energy & electrification and electric vehicles. Alternative technologies are continually being investigated and developed with a view to reducing production costs or for other reasons, such as minimizing environmental or social impact. If competitive technologies emerge that use other materials in place of copper, demand and price for copper might fall, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Uncertainty of Mineral Resource and Mineral Reserve Estimates

The Company's Mineral Resources and Mineral Reserves are estimates only, and no assurance can be given that the anticipated tonnages and grades reported in the 2025 PFS Technical Report will be achieved, that the indicated level of recovery reported in the 2025 PFS Technical Report will be realized or that estimated Mineral Resource will be declared as Mineral Reserves and can or will be mined or processed profitably. The Company's Mineral Resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other factors. There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the Company's control. Estimation is a subjective process, and the accuracy of the Company's Mineral Resource estimate is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation of that data and the level of congruence with the actual size and characteristics of the Company's deposits. These estimates may require adjustments or downward revisions based upon further exploration or development work or drilling.

Fluctuations in copper prices, results of drilling, metallurgical testing, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of the Company's Mineral Resource estimates. Mineral Resource estimates are based on drill hole information, which is not necessarily indicative of conditions between and around the drill holes. Accordingly, such Mineral Resource estimates may require revision as more geologic and drilling information becomes available and as further studies are conducted.

Should reductions in Mineral Resources occur, the Company may be required to take a material write-down of its investment in the Cactus Project, reduce the carrying value of the Cactus Project or delay the development of, or production from, some or all of the deposits forming the Cactus Project, which could have a material adverse effect on the Cactus Project and the Company's business, financial condition, results of operations, cash flows and prospects. Mineral Resource estimates should not be interpreted as assurances of expected LOM or of the profitability of future operations. There is a degree of uncertainty in estimating Mineral Resources and of the grades and tonnage that are forecast to be mined and, as a result, the grade and volume of copper that the Company eventually mines, processes and recovers may not be the same as currently anticipated. Any material reductions in estimates of Mineral Resources, could have a material adverse effect on the Cactus Project and the Company's business, financial condition, results of operations, cash flows or prospects.

Mineral Resources are not Mineral Reserves and have a greater degree of uncertainty as to their existence and feasibility. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no assurance that Mineral Resource will be upgraded to Proven or Probable Mineral Reserves. Mineral Resources that are in the Inferred category are even more risky. Due to the uncertainty and speculative nature of Inferred Mineral Resource, economic considerations cannot be applied to this category and there is no assurance that Inferred mineral resources will be upgraded to Proven or Probable Mineral Reserves as a result of continued exploration.

Nature of mineral exploration, development and mining

The Company's future is dependent on its exploration, development and successful results from technical study programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's properties may be required to construct or repair mining and processing facilities at a site, and it is possible that further detailed studies may show uneconomic results, leading to the abandonment of projects. It is impossible to ensure that economic studies, including full feasibility studies, on the Company's projects, or the current or proposed exploration programs on any of the properties in which the Company has exploration rights, will result in any profitable commercial mining operations. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing Mineral Reserves. Estimates of Mineral Resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; copper and by-product metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use and acquisition, importing and exporting of metal, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Dependent on the success of the Cactus Project

The Company's current principal operation is expected to be the Cactus Project in Arizona and the Company is dependent upon the success of the Cactus Project. The continued development of mining operations at the Cactus Project will require the commitment of substantial additional resources for capital expenditures and operating expenditures, which may increase in subsequent years as needed, and for consultants, personnel and equipment associated with additional development and mining of such project. There can be no assurance that the Cactus Project will be commercially viable or that funds required for the continued development of mining operations at the Cactus Project can be obtained on a timely basis.

Financing Risks and Additional Financing

The Company's primary sources of capital resources are comprised of cash and cash equivalents and the issuance of securities. The Company will continuously monitor its capital structure and based on changes in operations and economic conditions, may adjust the structure by issuing new shares or new debt as necessary. While it is anticipated

that funds from cash reserves of the Company will support further technical work and drilling in connection with the Cactus Project, the Company will need to raise further funds to complete the development of the Cactus Project, as well as to conduct other exploration and development activities. The Company will seek to raise further funds through equity or debt financings. The Company's ability to continue as a going concern in the short-term is dependent on the continued support of its equity holders. In the long-term the Company's ability to continue as a going concern is dependent on raising further funding. While the Company has been successful in securing financing to date, there are no guarantees that it will be able to secure such financing in the future on terms acceptable to the Company, if at all. This could, in turn, have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Option and Joint Venture Agreements

The Company may enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Company.

Under the terms of such option and/or joint venture agreements, the Company may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Company forced to suspend operations on any of its concessions or pay any material fees, royalties, or taxes, it could result in a material adverse effect to the Company's business, financial results, and condition.

The Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Permits, Licenses and Approvals

The Company's operations are subject to extensive laws and regulations governing, among other things, such matters as environmental protection, management and use of toxic substances and explosives, health, exploration and development of mines, production and post-closure reclamation, safety and labour, taxation and royalties, maintenance of leases and claims, and expropriation of property. The activities of the Company require permits and licenses from various governmental and/or regulatory authorities.

The costs associated with compliance with these laws and regulations and of obtaining permits and licenses are substantial, and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental and/or regulatory authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Company's operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even the actions of former property owners, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company may fail to comply with current or future laws and regulations. Such non-compliance can lead to financial restatements, civil or criminal fines, penalties, and other material negative impacts on the Company.

As the development of the Cactus Project and exploration activities proceed, the Company may be required to obtain or renew further government permits for its current and contemplated operations. Obtaining or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can ultimately recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development of or impede the

operation of a mine. To the extent necessary permits, licenses or authorizations are not obtained or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities. Such curtailment or prohibition may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Estimates of Costs and Cost Overruns

As a result of the substantial expenditures involved in the development of a mineral project, the need to project years into the future, the need to make assumptions and use models that may not adequately approximate reality, and the fluctuation of costs over time, a development project is prone to material cost overruns. The Cactus Project does not have a recent operating history upon which the Company can accurately base estimates of future operating costs. The estimates cash operating costs contained in the 2025 PFS Technical Report and the economic analysis therein are based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the mineralized material to be mined and processed;
- anticipated development access for access to mineralized material;
- anticipated recovery rates of copper and other metals from the mineralized material;
- cash operating costs of comparable facilities and equipment; and
- anticipated availability of labour and equipment.

Capital costs, operating costs, production and economic returns, and other estimates may differ significantly from those anticipated by the 2025 PFS Technical Report, and there can be no assurance that the Company's actual capital or operating costs will not be higher than currently anticipated or that returns will not be lower than anticipated. The current inflationary trends in the global economy and supply chain issues may negatively impact study inputs. The Company's actual costs may vary from estimates for a variety of reasons, including: limitations inherent in modelling; changes to assumed third party costs; short term operating factors; revisions to mine plans; risks and hazards associated with development and mining described elsewhere in this AIF and the 2025 PFS Technical Report; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour shortages or strikes. Operating costs may also be affected by a variety of factors, including: mining methods, changing waste-to-ore ratios, mineralized material grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates. Many of these factors are beyond the Company's control. Failure to achieve estimates or a material increase in costs could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

Geological, Hydrological and Climatic Events

All mining operations face geotechnical, hydrological and climate challenges. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, subsidence and uplift, embankment failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and seismic activity.

Geotechnical failures could result in limited or restricted access to mines, suspension of operations, environmental damage, government investigations, increased monitoring costs, remediation costs, loss of mineralized material and other impacts, which could result in loss of revenue or increased costs, and could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Certain areas surrounding the Cactus Project which are non-operational and are in the development buffer zone, lie within a potential flood zone risk. Although flooding has not occurred to date, flooding at the Cactus Project's properties may nonetheless occur in the future. Once on the Cactus Project's properties, this water must be treated as

any other water which the Cactus Project seeks to discharge from its properties and must meet environmental standards. This means that, provided there is no regulatory relief, the Cactus Project may be required to store and potentially treat the water, and to limit discharge to the approved limits under the Company's permits. If the amount of such water flowing onto the properties exceeds the capacity of the Cactus Project's storage ponds, the Cactus Project may be required to store water in underground areas of its mines, limiting its ability to operate in those areas. Production and capital development could be delayed if the Cactus Project cannot operate in necessary areas as a result of such flooding, which could cause the Company to delay future development plans, construction, production and loss of future revenue. The Company may also incur additional costs as a result of such flooding, both in dealing with the excess water and in remediating any damage resulting from flooding.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims, concessions or leases at the Cactus Project will not be challenged or impugned. There may be challenges to any of the Cactus Project's titles which may result in the Company paying substantial costs to settle or dispute, and if such challenges are successful, could result in the loss or reduction of the Company's interest in such titles. The Cactus Project may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Impact of Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances globally in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. Although the Company has historically benefited from a supportive community within the Pinal County area and more widely in Arizona, NGOs or local community organizations could direct adverse publicity and/or disrupt the operations of the Company in respect of one or more of its properties in the future, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Local Communities, Stakeholders and Labour Force

The Company's future success depends on developing and maintaining productive relationships with the communities surrounding its operations who may have rights or may assert rights to certain Company properties, and other stakeholders in the Company's operating locations. The Company believes that its operations can provide valuable benefits to surrounding communities in terms of direct employment, training and skills development and other benefits associated with ongoing payment of taxes. In addition, the Company's environmental, social & governance framework set out in the Technical and Sustainability Committee Charter ("**ESG Framework**") and its corporate policies and procedures involve active community participation and interaction. Notwithstanding the Company's ongoing efforts, local communities and stakeholders can become dissatisfied with the Company's activities or the level of benefits provided, which may result in legal or administrative proceedings, civil unrest, protests, direct action or campaigns against us. Any such occurrence could materially and adversely affect the Company's business, financial condition or results of operations.

Further, the Company's development of the Cactus Project will be dependent upon the efforts of its employees and the Company's operations would be adversely affected if it failed to maintain satisfactory labour relations. Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities who have jurisdiction over the various aspects of the Company's

business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations or financial condition.

Dependence on Management and Key Personnel

The Company's business is dependent on retaining the services of its key management personnel with a variety of skills and experience, including in relation to the development and operation of mineral projects. The success of the Company is, and will continue to be, dependent to a significant extent on the expertise and experience of its directors and senior management. Failure to retain, or loss of, one or more of these people could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. The Company's success will also depend to a significant degree upon the contributions of qualified technical personnel and the Company's ability to attract and retain highly skilled personnel. Competition for such personnel is intense, and the Company may not be successful in attracting and retaining qualified personnel, or in obtaining the necessary work permits to hire qualified expatriates. The Company's inability to attract and retain these people could have a material adverse effect on its business, financial condition, results of operations, cash flows or prospects.

Operations during mining cycle peaks are more expensive

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

Risks of Mining Operations

Any future development or mining operations of the Company, involves various types of risks and hazards typical of companies engaged in the mining industry. These risks affect the current exploration and development activities of the Company and will affect the Company's business to an even larger extent if commercial mining operations commence. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metals losses; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavourable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of the value of, the Cactus Project or its facilities; (ii) personal injury or death; (iii) environmental damage to the Cactus Project, surrounding lands and waters, or the properties of others; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operation or prospects. In particular, open pit and/or underground development and exploration activities present inherent risks of injury to people and damage to equipment. Significant mine accidents could occur, potentially resulting in a complete shutdown of the Company's operations at the Cactus Project which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

There are also risks related to the reliance on the reliability of current and new or developing technology; the reliance on the work performance of outside consultants, contractors, and manufacturers; changes to project parameters over which the Company does not have complete control such as the copper price or labour or material costs; unknown or unanticipated or underestimated costs or expenses; unknown or unanticipated or underestimated additions to the scope

of work due to changing or adverse conditions encountered as a mine is refurbished and redeveloped; unexpected variances in the geometry or quality of ore zones; unexpected reclamation requirements or expenses; permitting time lines; unexpected or unknown ground conditions; unexpected changes to estimated parameters utilized to estimate past timelines, projections, or costs; and liquidity risks. An adverse change in any one of such factors, hazards and risks may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Infrastructure and Supplies

Development and commencement of operations at the Cactus Project depends on adequate infrastructure. In particular, reliable power sources, water supply, electricity, transportation and surface facilities are all necessary to develop and operate mines. Although the Cactus Project benefits from existing infrastructure, failure to adequately meet all appropriate infrastructure requirements required as per the development plan or changes in the cost of such requirements could affect the Company's ability to complete development and commence operations at the Cactus Project and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental Risks and Hazards

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties and for which the Company may be liable for remediation. Although the Company acquired the property following completion of the site improvement plan activities undertaken by the ASARCO Trust, parties engaged in mining operations in some cases, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Climate Change

There is significant evidence of the effects of climate change on the planet and an intensifying focus on addressing these issues. Climate change is a global challenge that may have both favorable and adverse effects on the Company's business in a range of possible ways. Mining and processing operations are energy intensive and result in a carbon footprint either directly or through the purchase of fossil-fuel based electricity. As such, the Company is impacted by current and emerging policy and regulation relating to greenhouse gas emission levels, energy efficiency, and reporting of climate-change related risks. While some of the costs associated with reducing emissions may be offset by increased energy efficiency, technological innovation, or the increased demand for the Company's metals as part of technological innovations, the current regulatory trend may result in additional transition costs at some of the Company's operations. Governments are introducing climate-change legislation and treaties at the international, national, and local levels, and regulations relating to emission levels and energy efficiency are evolving and becoming more rigorous. Current laws and regulatory requirements are not consistent across the jurisdictions in which the Company operates, and regulatory uncertainty is likely to result in additional complexity and cost in the Company's compliance efforts. Public perception of mining is, in some respects, negative and there is increasing pressure to curtail mining in many jurisdictions as a result, in part, of perceived adverse effects of mining on the environment and on local communities. Concerns around climate change may also affect the market price of the Common Shares as institutional investors and others may divest interests in industries considered to have more environmental impacts. While the Company is committed to operating responsibly and reducing the negative effects of the Company's operations on the environment, ability to reduce emissions and energy and water usage by increasing efficiency and adopting new innovation is constrained by technological advancement, operational factors, and economics. Adoption of new technologies, the use of renewable energy, and infrastructure and operational changes necessary to reduce water usage may also increase the Company's costs significantly. Concerns over climate-change, and the Company's ability to respond to regulatory requirements and societal pressures, may have significant impacts on the Company's operations and reputation and may even result in reduced demand for the Company's products.

The physical risks of climate change could also adversely impact the Company's operations. These risks include, among other things, extreme weather events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, changing sea levels, and extreme temperatures. Over the past several years, changing weather patterns and climatic conditions due to natural and man-made causes have added to the unpredictability and frequency of natural disasters, such as hurricanes, earthquakes, hailstorms, wildfires, snow, ice storms, the spread of disease and insect infestations. Climate-related events such as mudslides, floods, droughts, and fires can have significant impacts, directly and indirectly, on the Company's operations and could result in damage to the Company's facilities, disruptions in accessing the Company's sites with labour and essential materials or in shipping products from the Company's mines, risks to the safety and security of the Company's personnel and to communities, shortages of required supplies such as fuel and chemicals, inability to source enough water to supply the Company's operations, and the temporary or permanent cessation of one or more of the Company's operations. There is no assurance that the Company will be able to anticipate, respond to, or manage the risks associated with physical climate-change events and impacts, and this may result in material adverse consequences to the Company's business and financial results.

Regulatory Matters

The Company's development and mineral exploration activities are subject to numerous laws governing prospecting, development, production, taxes, labor standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, such as the federal Clean Air and Clean Water Act, Endangered Species Act, Resource Conservation and Recovery Act and their state analogs, including the Arizona Water Pollution Control Law. Although the Company currently believes that it is in compliance with existing environmental and mining laws and regulations and that its proposed work programs will also meet those standards, no assurance can be given that the Company will remain in compliance with applicable regulations or that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties.

Amendments to current laws and regulations governing the Company's current or prospective operations and activities of exploration, development mining and milling or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production or require delays or abandonment in the development of new mining properties. In addition, the Company is required to expend significant resources to comply with numerous corporate governance and disclosure regulations and requirements adopted by Canadian federal and provincial governments, U.S. federal and state governments, as well as the TSX. These additional compliance costs and related diversion of the attention of management and key personnel could have a material adverse effect on the Company's business, financial condition and results of operations.

Regulations relating to Emissions and Climate Change

Global climate change continues to attract considerable public, scientific and regulatory attention, and greenhouse gas emission regulation is becoming more commonplace and stringent. As energy, including energy produced from the combustion of carbon-based fuels, will be significant input to the Company's future operations, the Company will be required to comply with emerging climate change regulatory requirements, including programs to reduce greenhouse gas emissions. The Company's principal energy sources are expected to be electricity from the Arizona grid. In addition, the Company's mobile mining equipment will emit carbon dioxide. The U.S. federal and state governments may enact an emission trading, carbon tax or similar program for greenhouse gas emissions, which could significantly increase the Company's future energy and regulatory compliance costs. For example, the U.S. federal government has considered legislation to reduce greenhouse gas emissions through a cap-and-trade system of allowances and credits, among other provisions. In addition, the United States Environmental Protection Agency has developed final rules requiring certain emitters of greenhouse gases to collect and report data with respect to their greenhouse gas emissions.

As part of its ESG Framework the Company is committed to working towards a reduced carbon footprint in relation to its operations, however there are no assurances that this will be achieved. A carbon tax or a cap-and-trade program will likely result in increased future energy costs. The regulations will also likely increase the Company's compliance costs. For example, the Company may be required to install new equipment to reduce emissions in relation to its future processing facilities in order to comply with new regulatory standards or to mitigate the financial impact of a new

climate change program. The Company may also be subject to additional and extensive monitoring and reporting requirements. It is uncertain at this time how provincial and regional initiatives will interact with any federal climate change regulations. The potential physical impacts of climate change on the Company's operations are highly uncertain. These may include changes in weather and rainfall patterns, water shortages, changing storm patterns and intensities and changing temperatures. These physical impacts could require the Company to curtail or close mining, development and exploration activities and could prevent the Company from pursuing future expansion opportunities. These effects may adversely impact the Company's cost and financial performance of its operations.

Risks relating to Changing Environmental Legislation and Regulations

All phases of the Company's operations are subject to environmental laws and regulations in the jurisdictions in which it operates. These laws and regulations provide for restrictions, requirements and prohibitions relating to spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution and the protection of species and land, water, and air quality. A violation of these laws and regulations may result in the imposition of fines and penalties or orders to suspend operations. In addition, some federal and state laws and regulations require an environmental impacts analysis of operations before the Governmental Authority can issue permits necessary for operations. While the Company does not currently anticipate out of usual course analysis being necessary before obtaining the permits necessary for the Cactus Project there is the potential that changes in laws or regulations, or the configuration of the Cactus Project could result in such an analysis being necessary. Environmental laws and regulations are evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental laws or regulations will not materially adversely affect the Company's business, financial condition and results of operations. Government environmental approvals and permits are currently, or may in the future be, required in connection with the Cactus Project. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration, development or operation of the Cactus Project. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of companies in the mining industry, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Anti-Bribery Laws

The Canadian Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act and anti-bribery laws in other jurisdictions where the Company does or may do business, prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantage. The Company's policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. There can be no assurances that the Company's internal control policies and procedures will always protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's business, financial position and results of operations.

Third Party Approvals

The Company may require the consent or approval of third parties in order to enter into or complete certain agreements or transactions necessary in the course of its operations. There can be no assurance that such third parties, which may include contractual partners, shareholders, regulatory bodies or entities with an interest in the applicable property or others, will provide the required approval or consent or enter into such agreement in a timely manner, or at all. Failure to obtain such third-party approval may result in a material adverse effect on the Company's operations and financial condition.

Competition

The mining industry is intensely competitive in all of its phases. The Company competes with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate the properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

No Earnings and History of Losses

For the financial year ended December 31, 2025, the Company had a loss and comprehensive loss of approximately US\$5.0 million (US\$7.4 million in 2024) and at December 31, 2025, had a deficit of approximately US\$46.5 million (US\$41.5 million in 2024). The Company has incurred various expenses in recent periods and plans to incur further expenses as cash flows allow. The planned increases in expenses may result in larger losses in future periods. In addition, the Company has certain payments owing in the near future under the Termination Agreement in accordance with the terms thereof.

The exploration and development of the Company's mineral properties will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the Company's control. The Company's business strategies may not be successful, and it may not be profitable in any future period. The Company's operating results have varied in the past and they may continue to fluctuate in the future. In addition, the Company's operating results may not follow any past trends.

Negative Operating Cash Flow

The Company has a limited history of operations, and no history of earnings, cash flow, or profitability. The Company had negative operating cash flows for the financial period since incorporation. The Company is devoting significant resources to the development of the Cactus Project; however, there can be no assurance that it will generate positive cash flow from operations in the future. There can be no assurance that the Company will be able to generate positive cash flow from its operations. To the extent that the Company has negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional equity capital or other types of financing will be available when needed or that these financings will be on terms favorable to the Company.

Lack of Insurance Coverage

The Company's business is subject to a number of risks and hazards (as further described in this AIF). Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its activities, including any future mining operations. The Company may also be unable to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Company on acceptable terms. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Foreign Exchange Risk

The Company is subject to foreign exchange rate fluctuations with respect to United States and Canadian currencies. Copper is sold throughout the world principally in United States dollars. From time to time, the Company may borrow funds and incur expenditures that are denominated in a foreign currency, generally United States dollars.

Enforcing Judgements and Foreign Operation Risks

Some of the directors of the Company, particularly Alan Edwards, Sarah Strunk and Mark Palmer reside outside of Canada and some or all of the assets of such persons may be located outside of Canada. The Company's material project, the Cactus Project, is also located outside Canada and held indirectly through foreign affiliates. As a result, it may be difficult or impossible for Canadian investors to initiate a lawsuit within Canada against these persons or to enforce judgments in Canada against such assets. In addition, it may not be possible for Canadian investors to collect from these persons or assets judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult or impossible for Canadian investors to succeed in a lawsuit in the United States based solely on violations of Canadian securities laws.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Current and future debt ranks senior to Common Shares

The incurrence or issuance of debt, which ranks senior to the Common Shares upon the liquidation, and future issuances of equity or equity-related securities, which would dilute the holdings of the Company's existing holders of Common Shares and may be senior to Common Shares for the purposes of making distributions, periodically or upon liquidation, may negatively affect the market price of the Common Shares.

The Company may in the future incur or issue debt or issue equity or equity-related securities to finance its operations, acquisitions or investments. Upon the liquidation of the Company, lenders and holders of debt and holders of preferred shares (if any) of the Company would receive a distribution of the Company's available assets before holders of Common Shares. Any future incurrence or issuance of debt would increase the Company's interest cost and could adversely affect the Company's results of operations and cash flows. Any preferred shares issued by the Company would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit the Company's ability to make distributions to holders of Common Shares. Because the Company's decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond the Company's control, the Company cannot predict or estimate the amount, timing, nature or success of its future capital raising efforts. Thus, holders of the Common Shares bear the risk that the Company future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of the Common Shares.

Risks relating to Future Acquisitions

The Company may seek to expand through future acquisitions; however, there can be no assurance that the Company will locate attractive acquisition candidates, or that the Company will be able to acquire such candidates on

economically acceptable terms, if at all, or that the Company will not be restricted from completing acquisitions pursuant to the terms and conditions from time to time of arrangements with third parties, such as the Company's creditors. Future acquisitions may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business or may involve significant issuances of equity. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting management and employees' attention away from day-to-day operations. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate backgrounds and combining different corporate cultures.

Any future acquisition involves potential risks, including, among other things: (i) mistaken assumptions and incorrect expectations about mineral properties, Mineral Resources and costs; (ii) an inability to successfully integrate any operation the Company acquires; (iii) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (iv) the assumption of unknown liabilities; (v) limitations on rights to indemnity from the seller; (vi) mistaken assumptions about the overall cost of equity or debt; (vii) unforeseen difficulties operating acquired projects, which may be in geographic areas new to the Company; and (viii) the loss of key employees and/or key relationships at the acquired project.

At times, future acquisition candidates may have liabilities or adverse operating issues that the Company fails to discover through due diligence prior to the acquisition. If the Company consummates any future acquisitions with unanticipated liabilities or that fails to meet expectations, the Company's business, results of operations, cash flows or financial condition may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet.

Cybersecurity Threats and Information Technology Systems

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. Such operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. Given the unpredictability of the timing, nature and scope of information technology disruptions, the Company could potentially be subject to production downtimes, operational delays, destruction or corruption of data, any of which could have a material adverse effect on the Company's cash flows, competitive position, reputation, financial condition or results of operations.

There can be no assurance the Company will not experience any material losses relating to cyber-attacks or other information security breaches in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. In addition, the Company's insurance coverage for cyber-attacks may not be sufficient to cover all the losses it may experience as a result of a cyber incident. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. There can be no certainty that some or any of such investments, measures and initiatives to address cybersecurity or IT-related threats or vulnerabilities will meet the Company's capital allocation objectives.

In addition, the Company and its third-party service providers also collect, uses, discloses, stores, transmits and otherwise processes customer, supplier and employee and others' data as part of its business and operations, which may include personal data or confidential or proprietary information. There can be no assurance that any security measures that the Company or its third-party service providers have implemented will be effective against current or future security threats. If a compromise of such data were to occur, the Company may become liable under its contracts with other parties and under applicable law for damages and incur penalties and other costs to respond to, investigate

and remedy such an incident. Depending on the facts and circumstances of such an incident, these damages, penalties, fines and costs could be significant. Any such event could harm the Company's reputation and result in litigation against it.

Any of these factors could have a material adverse effect on the Company's results of operations, cash flows and financial position.

Investigations, Legal Proceedings and Litigation

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal claims can be substantial, even with claims that have no merit. Moreover, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company is in litigation with RAMM Power Group LLC, which wishes to acquire portions of the Cactus Project site through eminent domain. See "*The Cactus Project – Existing Litigation*".

On September 10, 2019, appellant Tim Marsh filed Mineral Exploration Permit Application Nos. 08-121065 and 08-121066 with the ASLD, seeking permits to conduct MEPs on land located in Section 35 and Section 36 in Township 5 South in Pinal County where the Company owns the surface rights. ASLD notified the Company of its rights of first refusal, which was exercised by the Company on May 5, 2021, resulting in ASLD denying the MEP applications. This decision was appealed and heard by the Superior Court of Arizona, which upheld the denial in a decision issued June 20, 2022. Tim Marsh has appealed the Superior Court decision issued on June 20, 2022 to the Arizona Court of Appeals. The appeal makes the same arguments that were made in the appeal to the Superior Court. The Court of Appeals granted the Company leave to file an amicus brief and that brief was filed on February 1, 2023. On August 31, 2023, the Court of Appeals affirmed the ruling of the Superior Court. Tim Marsh had 30 days to file a petition to review then the Arizona Supreme Court but did not file a petition, ending the matter. ASLD then issued the two MEP's to the Company on October 18, 2023.

Dilution

The Company's ability to continue its business operations is dependent on management's ability to secure additional financing. The Company's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's obligations.

The advancement, exploration and development of the Company's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Company may from time to time raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares in the future. The Company cannot predict the size or price of future issuances of Common Shares or the size or terms of future issuances of debt instruments or other securities convertible into Common Shares, or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, or securities convertible into Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Volatility of Equity Securities and Fluctuations in Market Value

The Common Shares trade on the TSX under the symbol "ASCU" and on the OTCQX under the symbol "ASCUF". The securities of publicly traded companies, particularly mineral exploration and development companies, can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors. These factors may relate to the Company's business, including fluctuations in the Company's operating and financial results, the results of any public announcements made by the Company and the Company's failure to meet analysts' expectations. In addition, there are risks that are not directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this AIF. Factors which may influence the price of the Company's securities, including the Common Shares, include, but are not limited to: worldwide economic conditions; global capital market activity and changes in interest and currency rates; changes in government policies and legislative or regulatory developments; investor perceptions; movements in global interest rates and global stock markets; variations in operating costs; technological changes; the cost of capital that the Company may require in the future; metals prices; the price of commodities necessary for the Company's operations; recommendations by securities research analysts; issuances of equity securities or debt securities by the Company; operating performance and, if applicable, the share price performance of the Company's competitors; the addition or departure of key management and other personnel; the expiration of lock-up or other transfer restrictions on outstanding Common Shares; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector; litigation; publicity about the Company, the Company's personnel or others operating in the industry; loss of a major funding source; and all market conditions that are specific to the mining industry.

There can be no assurance that such fluctuations will not affect the price of the Company's securities, and consequently purchasers of Common Shares may not be able to sell Common Shares at prices equal to or greater than the price or value at which they purchased the Common Shares or acquired them by way of the secondary market.

Sales by Existing Shareholders

Sales by existing shareholders of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

Dividend Policy

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares. The Company anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and such other factors as its directors consider appropriate, and the Company may never pay dividends.

Analyst Coverage and Public Sentiment

The trading market for the Common Shares will depend on the research and reports that securities or industry analysts publish about the Company and its business. The Company does not have any control over these analysts. The Company cannot assure that analysts will cover it or provide favourable coverage. If one or more of the analysts who cover the Company downgrade its stock or change their opinion of the Common Shares, price of Common Shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to regularly publish reports, the Company could lose visibility in the financial markets, which could cause the price and trading volume of the Common Shares to decline.

Global Financial Conditions

The economic viability of the Company's business and development plans is impacted by the Company's ability to obtain financing. Global economic conditions impact general availability of financing. The Company's access to the global credit market is likely to be limited given its status as a development stage company without Mineral Reserves. A general risk-adverse approach to investing, which may become more predominant as a result of market turmoil, may limit the Company's ability to obtain future equity financing. Inability to obtain financing at all, or on acceptable terms, would have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labor unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Market / Economic Conditions

The Company's business may be negatively affected by local economic conditions, including heightened inflation, increasing labor costs, potential recession, the imposition of or adverse amendments to duties, tariffs and other trade restrictions (including any retaliation to such measures) and currency exchange rate fluctuations, which could adversely affect the Company's costs to run its business and develop the Cactus Project. There is no guarantee that the Company will be able to fully absorb any such additional costs.

Changes in economic conditions, including supply chain constraints, logistics challenges, labor shortages, imposition of or adverse amendments to duties, tariffs and other trade protection mechanisms (including any retaliation to such measures) and steps taken by governments and central banks, including stimulus and spending programs, have, in the past, led to (and could, in the future lead to) heightened inflation, resulting in an increase in costs and changes in fiscal and monetary policy, including increased interest rates.

Inflation

The Company is affected by rising inflationary pressures. A significant portion of the upward pressure on prices has been attributed to the rising costs of labour and energy, as well as continuing global supply-chain disruptions. These inflationary pressures have affected the Company's labour, commodity and other input costs and such pressures may or may not be transitory. Imposition of or adverse amendments to duties, tariffs and other trade protection mechanisms (including any retaliation to such measures) and steps taken by governments and central banks, including stimulus and spending programs, have, in the past, led to (and could, in the future lead to) heightened inflation, resulting in an increase in costs and changes in fiscal and monetary policy, including increased interest rates. Any continued upward trajectory in the inflation rate for the Company's inputs may have a material adverse effect on the Company's capital expenditures for the development of its projects as well as its financial condition and results of operations.

Outbreaks of Diseases and Public Health Crises

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

Although the Company's current operations are not being materially impacted by any public health crises (including the Coronavirus disease), the Company continues to monitor the developments and impact of any health crises and pandemic diseases as they may arise. The Company cannot estimate whether, or to what extent, any future outbreak of epidemics or pandemics or other health crises may have an impact on the business, operations and financial condition of the Company. The outbreak of epidemics, pandemics or other public health crises, such as the Coronavirus pandemic, may result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced

mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest as well as the Company's ability to service its debt obligations. As such, the impacts of such crises may have a material adverse effect on the Company's business, results of operations and financial condition and the market price of the Common Shares. There can be no assurance that the Company's personnel or its contractors' personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased safety and medical costs / insurance premiums as a result of these health risks.

To the extent that a public health crisis adversely affects the Company's business and financial results, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

International Conflict, Geopolitical Instability and War

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. International conflicts (such as the Russian invasion of Ukraine and the Israel-Hamas conflict) including any related sanctions or other international action, may have a destabilizing effect on commodity prices, supply chains, and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition, and results of operations. The extent and duration of the international conflicts and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this AIF, the financial statements of the Company and the management's discussion and analysis, including those relating to commodity price volatility and global financial conditions. International conflicts and other geopolitical tensions and events may have unforeseeable impacts, including on shareholders of the Company, and third parties with which the Company relies on or transacts, may materialize and may have an adverse effect on the Company's business, results of operation, and financial condition.

As a result of changes to U.S. policy, especially in light of recent comments made by the new Trump administration, there may be changes to existing trade agreements, the imposition of new tariffs and greater restrictions on trade generally. In addition, support for protectionism and rising anti-globalization sentiment in the United States and other countries may slow global growth. In particular, a protracted and wide-ranging trade conflict between the United States its trading partners, including Canada, Mexico, Europe and China, or the imposition of tariffs or other trade protection measures by either country in any other context, could adversely affect global economic growth. Concerns also remain around the social, political and economic impacts of the changing political landscape in Europe and elsewhere. Broader geopolitical tensions remain high among the United States, Canada, Russia, China and across the Middle East.

Given the location of the Company's business and operations in Canada and the United States, and the global nature of business generally, any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on our business, financial condition, development of the Cactus Project, and ability to access capital market results on favourable terms, and could cause the market value of the Company's Common Shares to decline.

DIVIDENDS OR DISTRIBUTIONS

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company does not generate any revenues and does not expect to generate revenues in the near future and as such, the Company does not pay dividends and does not intend to pay dividends in the foreseeable future.

The payment of dividends in the future will depend on earnings, if any, and the Company's financial condition and such other factors as its directors consider appropriate. Furthermore, achieving production and generating cash flow

at the Cactus Project is unlikely to result in payment of dividends or other distributions by the Company to shareholders of the Company.

There can be no assurance that the Company will pay dividends under any circumstances. See "*Risk Factors – Dividend Policy*".

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares without par value, of which 208,937,737 Common Shares are issued and outstanding as at March 30, 2026.

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

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

As at March 30, 2026, there were (i) 7,542,414 stock options to acquire Common Shares ("**Options**"), (ii) 713,937 deferred share units ("**DSUs**"), and (iii) 1,024,172 restricted share units .

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares

The Common Shares trade on the TSX under the symbol "ASCU". The following table sets out the high and low trading prices, as well as the trading volume, for the Common Shares on the TSX for each month of the financial year ended December 31, 2025.

Date	High (\$)	Low (\$)	Trading Volume
January 2025	1.77	1.39	2,798,843
February 2025	2.09	1.60	2,852,933
March 2025	2.52	1.68	5,333,249
April 2025	2.47	1.75	3,856,517
May 2025	2.15	1.90	1,346,951
June 2025	2.32	2.00	4,731,475
July 2025	2.57	2.20	6,058,809
August 2025	2.77	2.20	3,463,749
September 2025	3.2	2.47	8,197,875

Date	High (\$)	Low (\$)	Trading Volume
October 2025	4.00	2.97	10,901,944
November 2025	4.08	3.26	6,586,850
December 2025	5.08	3.81	8,400,818

Prior Sales - Securities Not Listed or Quoted on a Marketplace

During the financial year ended December 31, 2025, other than the issuance of Common Shares, the Company issued Options and DSUs.

Options

During the financial year ended December 31, 2025, the Company issued the following Options:

Date of Grant	Number of options	Exercise Price (US\$)	Expiry Date
February 25, 2025	2,649,968	1.88	February 25, 2030

RSUs

During the financial year ended December 31, 2025, the Company issued the following RSUs:

Date of Grant	Number of RSUs
February 25, 2025	274,743

DSUs

During the financial year ended December 31, 2025, the Company issued the following DSUs:

Date of Grant	Number of DSUs ⁽¹⁾
February 25, 2025	106,382

Notes:

- (1) The DSUs granted to the holders are to be held in a deferred share unit account until they become payable to the DSU holder on their termination date as a director.

DIRECTORS AND OFFICERS

The following table sets forth the name of each director and executive officer of the Company, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years and the date they became a director or executive officer of the Company. Each director's term will expire immediately prior to the next annual meeting of shareholders.

Name, Province or State and Country of Residence	Position(s) with Company	Date of Appointment	Principal Occupation(s) for Five Preceding Years
George Ogilvie, Ontario, Canada	President, Chief Executive Officer and Director	July 6, 2021	President & Chief Executive Officer of ASCU since July 2021 and former Director of Rupert Resources Ltd. from 2021-2024; previously, President & Chief Executive Officer of Battle North Corporation from

Name, Province or State and Country of Residence	Position(s) with Company	Date of Appointment	Principal Occupation(s) for Five Preceding Years
			December 2016 to May 2021 and President & Chief Executive Officer of Kirkland Lake Gold from November 2013 to June 2016.
David Laing ⁽²⁾ British Columbia, Canada	Director (Chairman)	May 27, 2021	Chairman of Fortuna Mining Corp.; Director of Blackrock Silver Corp.; Consultant since November 2018; previously, Chief Operating Officer of Equinox Gold Corp. from August 2016 to November 2018.
Mark Palmer ^{(2)(3)(4) (5)} London, United Kingdom	Director	August 1, 2020	Partner of Tembo Capital LLC since September 2015.
William (Bill) Washington ⁽⁶⁾ Toronto, Canada	Director	January 21, 2026	Director of Wesdome Gold Mines Ltd. since June 2016 including serving as Interim Chair from June 2024 to May 2025. Director of Rupert Resources from December 2023. Director of Copper Mountain Mining from June 2018 to June 2023. Partner of Hydra Capital Partners since January 2017.
Isabella Bertani ⁽¹⁾⁽³⁾ Ontario, Canada	Director	June 22, 2023	Founder and Chief Client Strategist at Bertani since 2019; previously, Partner at RSM from 2015 to 2019.
Alan Edwards ⁽¹⁾⁽²⁾⁽⁴⁾ Arizona, USA	Director	May 7, 2021	President of AE Resources Corp. since January 2017 and Director of Entrée Resources Ltd.; previously Interim CEO of ASCU from May 2021 to July 2021.
Sarah Strunk ⁽¹⁾⁽³⁾⁽⁴⁾ California, USA	Director	January 1, 2022	Immediate Past Chair of the Board of Fennemore from 2015 to 2023, current Director and Shareholder of Fennemore since 2000; Director of Teck Resources Limited since February 2022 to present and chair of the Safety and Sustainability Committee, member of the Audit and Corporate Governance and Nominating Committees, former Chair of Brio Gold (now part of Equinox Gold Corp.) and a member of the Audit, Compensation and Governance Committee.
Nicholas Nikolakakis Ontario, Canada	Chief Financial Officer and Vice President of Finance	January 10, 2022	Chief Financial Officer of ASCU since January 10, 2022; previously, Chief Financial Officer of Battle North Corporation from October 2013 until its acquisition by Evolution Mining in May 2021.
Nicholas Hayduk, Nova Scotia, Canada	Vice President of Corporate Development, General Counsel and Corporate Secretary	October 1, 2024	Chief Legal Officer, Vice President Corporate Affairs and Corporate Secretary at Excellon Resources Inc. from July 2022 to July 2023; General Counsel at Battle North Gold Corporation from May 2019 until its acquisition by Evolution Mining in May 2021
Alison Dwoskin Toronto, Canada	Vice President, Investor Relations	January 21, 2026	Vice President of Investor Relations since January 21, 2026, prior to that, Director of Investor Relations since October 2021 and consultant since June 20219.

Name, Province or State and Country of Residence	Position(s) with Company	Date of Appointment	Principal Occupation(s) for Five Preceding Years
Travis Snider Arizona, USA	Vice President, Sustainability and External Relations	February 2, 2020	Vice President of Sustainability and External Relations of ASCU since February 2, 2020.
Bernie Loyer Arizona, USA	Senior Vice President, Projects	June 7, 2023	Vice President of Projects at SolGold Ecuador from July 2022 to June 2023; previously, Vice President Projects at Torex Gold from November 2017 to November 2021.

Notes:

- (1) Member of the Audit Committee of the directors of the Company, Isabella Bertani is Chair of the Audit Committee.
- (2) Member of the Technical & Sustainability Committee of the directors of the Company of which Alan Edwards is Chair.
- (3) Member of the Governance and Nominating Committee of the directors of the Company of which Sarah Strunk is Chair.
- (4) Member of the Compensation Committee of the directors of the Company of which Sarah Strunk is Chair.
- (5) Mark Palmer resigned effective July 15, 2025.
- (6) William (Bill) Washington and Alison Dwoskin were appointed on January 21, 2026.

Based on the disclosure available on the System for Electronic Disclosure by Insiders, as of March 30, 2026 the directors and executive officers of the Company (as listed in this AIF), as a group, beneficially owned, or controlled or directed, directly or indirectly, a total of 2,445,199 Common Shares, representing approximately 1.2% of the total number of Common Shares outstanding.

Set forth below is a brief description of the background of the directors and executive officers of the Company, including a description of each individual's principal occupation(s) within the past five years.

David Laing, Chair of the Board of Directors

David Laing is a mining executive and engineer with 40 years of experience in mining operations and construction, project development, consulting, mining finance, corporate development & M&A, and investor relations. During his career, Mr. Laing has held multiple executive positions in precious and base metals companies. Mr. Laing served as Executive VP of Technical Services and Senior VP of Operations for Endeavour Mining from 2010-2014 and was a key member of the team in implementing the development strategy of the company. He has also held positions as COO of Equinox Gold Corp, True Gold Mining Inc., and Quintana Resources. Additionally, he has held senior positions at Standard Bank and Endeavour Financial. His previous experience also includes roles at MRDI, BHP Billiton and Royal Dutch Shell's mining business. Mr. Laing currently serves as Chairman of Fortuna Mining Corp. and as a Director of Blackrock Silver Corp.

Mr. Laing has a BSc Mining Engineering (Honors) from the Royal School of Mines, Imperial College at the University of London, England.

Isabella Bertani, Director

A CPA Fellow (FCPA, FCA) with over 25 years of experience, Isabella Bertani has worked extensively with both private and public companies in numerous industry sectors including manufacturing, food processing, technology, telecommunications, mining and mining related industries, biotech, and retail and distribution. Founder and Chief Strategist at BERTANI, Ms. Bertani has held senior positions at Deloitte LLP and a mid-market firm and is a former director of the McMichael Canadian Art Foundation and the Toronto Parks and Trees Foundation. She is a recognized leader in foreign direct investment (FDI), routinely advising global corporations with regards to expansion into the North American market and her clients include numerous foreign subsidiaries of significant global entities. Ms. Bertani is a frequent speaker on topics relating to globalization including doing business in Canada, trade agreements, global trade and migration, and the impact of geopolitical trends on global foreign direct investment and global trade. She has a particular interest in FDI and its impact on global sustainability. Ms. Bertani is a passionate advocate for women in business and in economic development and has held several roles in women's leadership. In 2019, Ms.

Bertani was the recipient of the Joanna Townsend Excellence Award for Leadership in International Trade by the Organization of Women in International Trade in Toronto.

She was bestowed the honour of Fellow of the Professional Accountants of Ontario in 2017, the highest distinction conferred on its members.

Ms. Bertani is a graduate of York University's prestigious Schulich School of Business holding both a Bachelor of Business Administration in accounting and a Master of Business Administration with a focus in policy and finance.

Alan Edwards, Director

Alan Edwards has more than 40 years of operations and executive mining industry experience. During the course of his career, he has overseen the development and operations of world class base and precious metals deposits in the Americas. Mr. Edwards is currently the President of AE Resources Corp., an Arizona based company. He formerly led Oracle Mining Corporation (CEO), Copper One Inc. (President and CEO), Frontera Copper Corporation (President & CEO) and Apex Silver Corporation (COO). Currently, Mr. Edwards serves as a Non-Executive Director for Entrée Resources Ltd. Mr. Edwards has previously held the positions of Non-Executive Chairman of the Boards for Tonogold Resources Inc., Mason Resources Corp. (until its acquisition by Hudbay Minerals Inc.), Rise Gold Corp., AQM Copper Inc. (until its acquisition by Teck Resources Ltd.) and AuRico Gold Inc. Mr. Edwards began his career at Phelps Dodge Mining Company in Ajo, Arizona.

Mr. Edwards has Bachelor of Science Degree in Mining Engineering and an MBA (Finance) from the University of Arizona.

Sarah Strunk, Director

Sarah Strunk practices in business and finance law, with an emphasis on mineral transactions, including mergers and acquisitions, finance transactions, corporate governance, international sales contracts and exploration projects. Throughout her 40-year law career, she has represented numerous clients in the mining and natural resource industry. Sarah is a Director and Shareholder of Fennemore since 2000, a member of their Management Committee and Chair of the Board of Directors of Fennemore from 2015 to 2023. Prior to joining Fennemore, Ms. Strunk was Chief Corporate Counsel to the copper/molybdenum division of Cyprus Amax Minerals Company (1992-2000). She has been the Chair of the Board of the Greater Phoenix Chamber of Commerce, served on the Board of the Arizona Mining Association and was a past trustee of the Foundation for Natural Resource and Energy Law (Rocky Mountain Mineral Law Foundation). Ms. Strunk currently serves as a Director of Teck Resources Limited, where she chairs Safety and Sustainability Committee and is a member of the Audit and the Corporate Governance and Nominating Committees. Ms. Strunk was the Chair of the Board of Brio Gold (2016-2018), now part of Equinox Gold Corp. and a member of their Audit, Compensation and Governance Committees. She was a recipient of the 2021 Medal of Merit for her work in the mining industry at the American Mining Hall of Fame.

Ms. Strunk received a Master of Law degree from New York University School of Law and a law degree from University of Kansas School of Law, following a BA in Politics and minoring in Economics, Spanish and History at the Wichita State University. She has been admitted to practice law in Arizona, California, New York, Connecticut and Kansas.

William (Bill) Washington, Director

Bill Washington is an accomplished finance professional with 32 years of experience both leading and building investment banking teams as well as supporting governance and board leadership in the mining and metals sector. Currently a Partner at Hydra Capital Partners, he was previously Head of Global Mining & Metals at National Bank Financial Markets from July 2011 until his retirement from the firm at the end of 2015. He joined National Bank as part of the acquisition of Wellington West Capital Markets where he had served as the Head of Investment Banking since August 2004 focused exclusively on the Mining and Metals sector. Before joining Wellington West, Bill held various investment banking positions at National Bank Financial/First Marathon, Gordon Capital and Lancaster Financial/TD Securities from 1994.

Prior to entering investment banking, he worked as a civil engineer on major infrastructure projects in the U.K., Spain and Hong Kong for six years. Bill holds a Bachelor of Applied Science (Civil Engineering) from the University of British Columbia and has an MBA from the University of Western Ontario (Ivey). Bill also acts as an Independent Director for both Wesdome Gold Mines and Rupert Resources. He was previously a Director of Copper Mountain Mining until its acquisition by Hudbay Minerals in June 2023 and Brio Gold until its acquisition by Leagold Mining (now Equinox Gold) in May 2018.

George Ogilvie, President & Chief Executive Officer

George Ogilvie, has over 36 years of management, operating and technical experience in the mining industry. Mr. Ogilvie was until most recently the President & CEO of Battle North, a position he was appointed to, in 2016 whilst the company was under financial insolvency & restructuring proceedings. During his 5 year tenure at Battle North, Mr. Ogilvie and his team successfully completed a turnaround of the company resulting in an increase in the resource base from 400,000 oz Au to approximately 1.3 million oz Au, completion of a positive bulk mining reconciliation program resulting in de-risking of the project, delivery of a preliminary economic assessment and follow on feasibility study in relation to the project with a post-tax IRR of 50% and completion debt and equity financing of over C\$100 million associated with project construction. Battle North was acquired by Evolution Mining Limited in May 2021 at a 45% premium to the prevailing spot price. Prior to this, Mr. Ogilvie was the CEO of Kirkland Lake Gold Inc. where he and his team implemented a turnaround strategy which included, amongst other items, improving operations at the Macassa Mine and the acquisition of St. Andrew Goldfields, resulting in significant returns for shareholders. Previously, Mr. Ogilvie was the CEO of Rambler Metals and Mining PLC, where he and his team guided the evolution of the company from grassroots exploration to a profitable junior producer. Mr. Ogilvie began his mining career in 1989 with AngloGold in South Africa and he subsequently held other roles at the Ruttan Mine in Northern Manitoba for Hudbay Minerals Inc., the McCreedy West Mine and also as Area Manager for Dynatec Corporation. Mr. Ogilvie received his B.Sc. (Hons.) in Mining and Petroleum Engineering from Strathclyde University in Glasgow, Scotland. He is a Professional Engineer and also holds his Mine Managers Certificate (South Africa).

Nicholas Nikolakakis, Chief Financial Officer and Vice President, Finance

Nicholas Nikolakakis has over 30 years of corporate finance, accounting and senior management experience within the mining sector. Over his career, he has raised over US\$2 billion in numerous mining transactions. Most recently he was the Chief Financial Officer for Battle North Corporation (acquired by Evolution Mining in 2021). He was also the former Chief Financial Officer of Rainy River Resources. Prior to Rainy River, Mr. Nikolakakis was the Vice President of Corporate Finance at Barrick Gold Corporation, where he led a US\$1 billion project financing for Barrick's Pueblo Viejo mine in the Dominican Republic and successfully negotiated a US\$1.5 billion corporate revolving credit facility. Other previously held positions by Mr. Nikolakakis include, Vice President and Chief Financial Officer of Placer Dome Canada, and Treasurer at North American Palladium Ltd. Mr. Nikolakakis serves as a Director of Maritime Gold Corp.

Mr. Nikolakakis holds an Applied Science degree in Geological Engineering from the University of Waterloo and a Master of Business Administration from the University of Western Ontario's Ivey School of Business.

Nicholas Hayduk, Vice President of Corporate Development, General Counsel and Corporate Secretary

Nick Hayduk has been a corporate lawyer for over 25 years, including 18 years in senior management and executive roles at publicly traded mining companies. Most recently, Nick was Chief Legal Officer, Vice President Corporate Affairs and Corporate Secretary at Excellon Resources Inc., and previously he was Vice President, General Counsel and Corporate Secretary at Battle North Gold Corporation, Senior Vice President, Chief Legal Officer at Lundin Mining Corporation, Senior Vice President and General Counsel at Kinross Gold Corporation, General Counsel, Operations – Canada and U.S. at Goldcorp Inc. and General Counsel, Canada at Placer Dome. Nick's experience in these roles includes corporate governance best practices, securities and other regulatory compliance, public M&A and private asset transactions valued at over US\$18 billion, public equity and debt offerings raising over US\$3 billion, senior secured credit facilities of up to US\$1.5 billion, multi-national joint-ventures, a wide variety of domestic and international contracts, litigation management, global compliance programs, enterprise risk management, and land

title and mineral tenure management. His other professional activities have included being a member of the Advisory Group to the UN Global Compact Network Canada for its *Guide for General Counsel – How to influence the board of directors to drive sustainability* and the Steering Committee for the European Commission's *Feasibility Study for EU-Canada Mineral Cooperation*. Prior to joining the mining industry, Nick practiced corporate law at Blake, Cassels & Graydon LLP.

Nick is licensed by the Law Society of Ontario, Canada. He holds a Master of Business Administration in Finance and a Law Degree from Dalhousie University, in addition to a Bachelor of Arts in Economics and History from the University of Alberta.

Bernie Loyer, Senior Vice President, Projects

Bernie Loyer is a project mining executive with over 35 years of international mining experience including over 20 years in LATAM, having worked in Peru, Mexico, Chile, Argentina and Ecuador. As Senior VP Projects, he leads the engineering, procurement and management resources in the development and execution of the Company's project portfolio. Mr. Loyer joined ASCU from SolGold where he held the position of VP Projects leading the development of the Porvenir and Cascabel projects in Ecuador. A mechanical engineer, fluent in English and Spanish, Mr. Loyer holds multiple patents for the design of process and material handling equipment. Mr. Loyer has a proven track record delivering large scale mining projects including Goldcorp's Penasquito Project in Zacatecas, Mexico, Goldcorp's Cerro Negro Project in Santa Cruz, Argentina and Torex Gold's Morelos Project in Guerrero, Mexico. Mr. Loyer spent five years at FLSmidth Minerals based in Copenhagen serving as Vice President, Minerals Technology and Chief Product Officer where he was responsible for all global process technology, manufacturing and material handling. Prior to that he served 15 years with BHP Billiton, spending the last 10 years in Peru and Chile where he held operational, maintenance and project leadership positions. Mr. Loyer is based at the Cactus Project site and the Company's Tempe, Arizona office.

Alison Dwoskin, Vice President, Investor Relations

Alison Dwoskin is an investor relations professional with 22 years of experience specializing in capital markets and corporate communications largely within the mining and metals sector. She has been promoted to Vice President, Investor Relations, having initially joined the Company as Director, Investor Relations. Alison is a Certified Professional in Investor Relations (CPIR) and holds an Honours Bachelor of Arts degree from Brock University.

Travis Snider, Vice President, Sustainability and External Relations

Travis Snider is an Arizona-based mining executive with 30 years of broad industry experience in exploration, production, permitting, development, and consulting for mining companies. Mr. Snider has been involved in a number of sustainability and efficiency projects at mining companies which has resulted in several operations moving to renewable energy sources to power mining operations. Most recently he was the Mining Project Manager at Engineering & Environmental Consultants. Previously, Mr. Snider has served as a Director for Alliance Mining Corporation, Elm Tree Minerals, and was on the Board for the Arizona Mining Association. He has also worked for Phelps Dodge Mining Corporation and served as Senior Vice President of Operations for Sierra Resource Group Inc. in restarting operations at the Emerald Isle Mine in Arizona. Mr. Snider also was Vice President of Mining and Oil Operations for the engineering firm, Wilcox Professional Services. Wilcox specialized in EPC services for large industrial projects and specialized in exploration drilling. Along with Wilcox Mr. Snider has worked for several other large engineering and environmental firms, including NV5, Kleinfelder and Mactec. Whilst at Mactec, he developed renewable energy projects for mining companies to utilize their lands for energy development. He is active in the local community and state mining associations, as current Chairperson of the City of Casa Grande Chamber of Commerce and on the Board for the Arizona Mining Association, Chairing the Lands and Biodiversity Committee.

Mr. Snider holds Bachelor of Science degree in Environmental Chemistry from Arizona State University and is part of the Society for Mining, Metallurgy, and Exploration and the Chemical Heritage Foundation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, to the knowledge of the Company, no other director, executive officer, or proposed nominee for election as director, is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. David Laing has been a director of Fortuna Mining Corp. (formerly known as Fortuna Silver Mines Inc., "**Fortuna**") since September 2016. On April 3, 2017, a management cease trade order ("**MCTO**") was issued by the British Columbia Securities Commission and other Canadian provincial securities regulatory authorities pursuant to National Policy 12-203 Management Cease Trade Orders in connection with the late filing of the Fortunas' annual audited financial statements and related management's discussion and analyses for the years ended December 31, 2016 and 2015 and the annual information form for the year ended December 31, 2016 (the "**Fortuna Annual Documents**"). The MCTO prohibited the Chief Executive Officer and the Chief Financial Officer of Fortuna from trading in securities of Fortuna until Fortuna completed the required filing of the Fortuna Annual Documents as well as its Interim Financial Documents (as defined below) for the first quarter of 2017. The Fortuna Annual Documents were filed on May 15, 2017. Due to the delay in finalizing the Annual Documents, Fortuna was delayed in filing its interim financial statements and related management discussion and analysis for the three months ended March 31, 2017, and 2016 (together, the "**Fortuna Interim Financial Documents**"). Fortuna filed the Fortuna Interim Financial Documents on May 24, 2017, and the MCTO was revoked by the British Columbia Securities Commission on May 25, 2017. Other than as disclosed below, to the knowledge of the Company, no other director, executive officer, proposed nominee for election as director, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

Mr. Alan Edwards was Chairman of the Board of Oracle Mining Corp until his resignation effective on February 15, 2015. On December 23, 2015, Oracle Mining Corp. announced that the Superior Court of Arizona had granted the application of Oracle's lender to appoint a receiver and manager over the assets, undertaking and property of Oracle Ridge Mining LLC.

Mr. Alan Edwards was a director of Elevation Gold Mining Corporation ("**Elevation Gold**") until his resignation effective December 31, 2024. On August 1, 2024, Elevation Gold announced the Supreme Court of British Columbia (the "**BC Court**") had issued an order granting Elevation Gold protection under the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**") and appointing KSV Restructuring Inc. as monitor. The British Columbia Securities Commission issued a cease trade order against Elevation Gold effective September 5, 2024. On September 16, 2024, the United States Bankruptcy Court for the District of Arizona (the "**U.S. Court**") recognized the CCAA proceeding as a foreign main proceeding under chapter 15 of title 11 of the United States Code. On December 2, 2024, Elevation Gold entered into an arm's length agreement in respect of the purchase and sale of certain of its assets (the "**Elevation Transaction**"). The Elevation Transaction was subsequently approved by the BC Court, the U.S. Court, and the TSX Venture Exchange. Effective December 31, 2024, Elevation Gold ceased to have an operating business or material assets, and all directors and officers resigned from their positions.

Mr. Nicholas Nikolakakis was Chief Financial Officer of Rubicon Minerals Corporation which changed its name to Battle North Gold Corporation on July 7, 2020. On October 20, 2016, Rubicon obtained an Initial Order from the

Ontario Superior Court of Justice which granted Rubicon and its subsidiaries a stay of proceedings pursuant to the CCAA, to allow Rubicon to complete a refinancing and recapitalization transaction (the "**Rubicon Restructuring Transaction**"). On December 20, 2016, the Rubicon Restructuring Transaction was completed pursuant to a plan of compromise and arrangement under the CCAA.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Other than as otherwise described in this AIF, to the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. To the extent required, the Board manages this potential conflict of interest in accordance with its Code, policies and the BCBCA.

Certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. In an attempt to mitigate this risk, the Code prohibits conflicts of interest as a matter of policy, except as approved by the Board, and any transaction, relationship or interest that reasonably could give rise to a conflict of interest must be reported to the Chairman of the Board. See also "*Risk Factors – Conflicts of Interest*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and the Company's articles:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and
- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

AUDIT COMMITTEE

The Audit Committee's Charter

The Board has adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The audit committee charter was approved by the Board on October 27, 2020, as amended and approved by the Board on June 21, 2021 (the "**Audit Committee Charter**"). The full text of the Audit Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is composed of Isabella Bertani (Chair), Sarah Strunk and Alan Edwards, all of whom are independent directors and all of whom are financially literate, in each case within the meaning of National Instrument 52-110.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Isabella Bertani (Chair)	Yes	Yes
Sarah Strunk	Yes	Yes
Alan Edwards	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

For the education and experience of each of Isabella Bertani, Sarah Strunk and Alan Edwards that is relevant to his or her performance as a member of the Audit Committee, see "*Directors and Officers*".

Pre-Approval Policies and Procedures

The Audit Committee mandate requires that the Audit Committee pre-approve any retainer of the auditor of the Company to perform any non-audit services to the Company that it deems advisable in accordance with applicable legal and regulatory requirements and policies and procedures of the Board. The Audit Committee is permitted to delegate such pre-approval, as the Committee may determine and as permitted by applicable securities laws.

In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer (the "CFO") shall consult with the Chair of the Audit Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Company's external auditors, to approve or disapprove on behalf of the Audit Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Audit Committee as a whole. The CFO shall maintain a record of non-audit services approved by the Chair of the Audit Committee or the Audit Committee for each fiscal year and provide a report to the Audit Committee no less frequently than on a quarterly basis.

External Auditor Service Fees

The following table discloses the fees charged to the Company by its external auditor during the last two financial years:

Financial Year Ending	Audit Fees ⁽¹⁾ (US\$)	Audit-Related Fees ⁽²⁾ (US\$)	Tax Fees ⁽³⁾ (US\$)	All Other Fees ⁽⁴⁾ (US\$)
December 31, 2025	134,358	Nil	Nil	80,439
December 31, 2024	134,640	Nil	Nil	70,135

Notes:

- (1) "Audit Fees" are fees necessary to perform quarterly review engagements and the annual audit of the Company's financial statements, including review of tax provisions, accounting consultations on matters reflected in the financial statements, and audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) "Audit-Related Fees" are fees for services that are traditionally performed by the auditor including employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" are fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees" including tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services such as work on prospectus offerings.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as described herein, to the Company's knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, during the financial year ended December 31, 2025 and as of the date hereof, and no such proceedings or actions are known by the Company to be contemplated.

During the financial year ended December 31, 2025 and as of the date hereof, there have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or securities regulatory authority, or by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision in the Company, and the Company has not entered into any settlement agreements before any court relating to any securities legislation or with any securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this AIF, no (a) director or executive officer, (b) person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, nor (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has, or has had within the three most recently completed financial years before the date hereof, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

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

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, set out below are material contracts entered into since January 1, 2025 and material contracts entered into before January 1, 2025 which still remain in effect and material to the Company, copies of which are available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.

(a) 2021 LKY Land Agreement

On May 20, 2021, Cactus 110 entered into a real estate purchase and sale agreement (the "**2021 LKY Land Agreement**") with LKY/Copper Mountain Investments Limited Partnership L.L.P. ("**LKY**") to purchase approximately 1,000 acres of real property located in Township 5, South Range 5 East in Pinal County, Arizona (the "**2021 LKY Land**") for an aggregate purchase price of US\$20 million (the "**2021 LKY Land Purchase**"). The purchase price was to be adjusted if a survey of the land indicated total net acreage of the LKY Property deviates more than 1% from the approximated acreage. Pursuant to the 2021 LKY Land Agreement, Cactus 110 delivered an initial deposit of US\$100,000 (the "**Initial Deposit**") as well as an additional deposit of US\$400,000 (together with the Initial Deposit, the "**LKY Deposit**") prior to the end of the due diligence period. The purchase price in connection with the 2021 LKY Land Purchase is payable in three installments: (i) US\$7.5 million less the LKY Deposit (the "**First Installment**") on the closing date, subject to and upon satisfaction of certain conditions precedents to closing, (ii) US\$7.5 million plus accrued interest at a rate of 6.0% per annum from the closing date (subject to any prepayments in accordance with the LKY Carryback Loan (as defined

below)) (the “**Second Installment**”) payable on the first anniversary of the closing date (the “**Second Installment Date**”), and (iii) US\$5 million (subject to any prepayments in accordance with the LKY Carryback Loan) (the “**Third Installment**”, together with the Second Installment, the “**Post-Closing Purchase Price**”) payable on the fifth anniversary of the closing date (the “**Third Installment Date**”). A real estate broker fee of 3.0% broker was also payable by Cactus 110 to a third-party real estate broker on the closing date pursuant to the 2021 LKY Land Agreement. The Post-Closing Purchase Price is secured by a commercial carryback real estate loan in the amount of the Post-Closing Purchase Price (the “**2021 Carryback Loan**”) evidenced by a secured promissory note (the “**2021 LKY Note**”) bearing an interest rate of 6.0% on the Second Installment from the closing date until the Second Installment Date, with no interest applicable on the Third Installment. The 2021 LKY Note matures on the Third Installment Date. The 2021 LKY Land Purchase and 2021 Carryback Loan are otherwise generally subject to customary terms and conditions for real estate transactions in Arizona. The closing date of the 2021 LKY Land Purchase was February 10, 2022. The First Installment and Second Installments have been paid as at the date of this AIF, and the Third Installment is due by February 10, 2027.

- (b) Investor Rights Agreement dated January 31, 2025 between the Company and Hudbay, referred to under “*General Development of the Business – Events Subsequent to 2024 – Hudbay Private Placement*”; and,
- (c) Shareholder Rights Plan Agreement dated January 31, 2025 between the Company and TSX Trust Company, as rights agent, under the Rights Plan referred to under “*General Development of the Business – Events Subsequent to 2024 – Rights Plan*”.
- (d) 2025 Consortium Land Purchase Agreement dated August 29, 2025 between Cactus 110 and a consortium of related private corporate land owners (collectively, the “**Consortium Vendors**”), referred to under “*General Development of the Business – 2025 – Cactus Project Land Purchases*”.

On August 29, 2025, Cactus 110 signed and closed a real estate purchase and sale agreement the Consortium Vendors pursuant to which Cactus 110 purchased 2,043 acres, comprised of 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 US\$50,000 per acre, with US\$5 million paid on the closing (US\$2 million in cash and 1,549,487 common shares of ASCU at a deemed price of \$2.66 per share, representing US\$3 million value equivalent) and the balance deferred subject to applicable Consortium 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** US\$5 million (up to US\$3 million in ASCU common shares, at Cactus 110’s sole option);
- 2027** US\$5 million (up to US\$2 million in ASCU common shares, at Cactus 110’s sole option);
- 2028** US\$5 million (up to US\$2 million in ASCU common shares, at Cactus 110’s sole option); and
- 2029** subject any pre-payments, approximately US\$82 million in deferred purchase price plus accrued, capitalized interest.

The number of ASCU common shares issued in each instance under the 2025 Consortium Land Purchase, in lieu of cash at Cactus 110’s sole option, will be determined using a 5-day volume weighted average trading price of ASCU common shares on the TSX immediately preceding the applicable payment due date, subject to customary TSX and other applicable regulatory approvals, and a statutory hold period under applicable securities laws.

Each of the Consortium Vendor loans are secured by deed of trust on their respectively sold portions of the Consortium Land (and fixtures thereon) and a deed of trust on the 750 acre ARCUS lands already owned by Cactus 110. In addition, one of the Consortium Vendors, LKY, holds additional security for its Consortium Vendor loan pursuant to a modified deed of trust on the 2021 LKY Land purchased by Cactus 110 pursuant to the 2021 LKY Land Agreement and 2021 Carryback Loan, which remain subject to payment of the Third Installment of US\$5 million due, interest-free, by the Third Installment Date of February 10, 2027. The Consortium Vendor loans are subject to cross-default with one another, and the 2021 Carryback Loan is subject to cross-default with the Consortium Vendor loan from LKY. Payment defaults under the Consortium Vendor

loans are subject to cure periods of 30 days on the 2026, 2027, and 2028 payments and 90 days on the final payment due in 2029. A default on the final 2027 payment due under the 2021 Carryback Loan is subject to a cure period of 60 days.

In addition to the purchase price, an aggregate 0.5% net smelter returns royalty (or NSR) on the Consortium Land was granted to a designee of the Consortium Vendors, on terms consistent with other NSRs on the Cactus Project. Cactus 110 has a right of first refusal on any sale, transfer, assignment or other conveyance of the NSR by the Consortium Vendors' designee, other than to an affiliate.

Upon any transfer or sale, whether voluntarily or involuntarily, directly or indirectly, of greater than fifty percent (50%) in Cactus 110 or the Cactus Project, prior to payment in full of the amounts due and owing under the Consortium Vendor Loans, such transferee(s)/purchaser(s) shall be required to acknowledge and affirm, in writing, the binding nature of the continuing applicable terms of the 2025 Consortium Land Purchase and the Consortium Vendor Loans.

The 2025 Consortium Land Purchase and related Consortium Vendor loans are otherwise generally subject to customary terms and conditions for real estate transactions in Arizona.

- (e) Nuton Termination Agreement dated February 16, 2026 between ASCU, ASCU USA and Cactus 110, and Nuton, referred to under "*General Development of the Business – Events Subsequent to 2025 – Nuton Termination Agreement*".

The termination of the Nuton OTJV and Nuton IRA as effected by the Nuton Termination Agreement was largely in line with the applicable terms of the Nuton OTJV, resulting in the following payments from ASCU USA to Nuton:

- US\$15 million immediately;
- a deferred payment of US\$5 million payable on the earlier of the 1-year anniversary of signing of the Nuton Termination Agreement or consummation of a change of control transaction; and
- a contingent, deferred cash payment of US\$15 million payable only on consummation of a change of control transaction that is publicly announced or subject to a definitive agreement within 24 months of signing of the Nuton Termination Agreement.

Under the Nuton Termination Agreement, Nuton agreed to provide the Company with all non-interpretative results of (i) completed analyses of Cactus Project ore samples and (ii) any completed 'Phase 2' metallurgical testing performed by or on behalf of Nuton under the Nuton OTJV prior to its termination.

- (f) Arrangement Agreement dated March 1, 2026 between the Company and Hudbay, referred to under "*General Development of the Business – Events Subsequent to 2025– Hudbay Acquisition*".

INTERESTS OF EXPERTS

Information of a scientific or technical nature in respect of the Cactus Project is included in this AIF based upon the 2024 PEA Technical Report, prepared by John Woodson, P.E., SME-RM, Laurie Tahija, QP-MMSA, Gordon Zurowski, P. Eng., Allan L. Schappert, CPGG, SME-RM, R. Douglas Bartlett, CPG, PG, and Anthony Crews, P.E., all of whom are independent QPs. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individuals and, as applicable, their firms, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

Ernest & Young LLP, the auditors of the Company, prepared an auditors' report to the shareholders of the Company on the statement of financial position of the Company for the year ended December 31, 2025, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year ended December 31, 2025. Ernest & Young LLP has advised that it is independent with respect to the Company within the meaning of the rules of Professional Conduct of Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, as applicable, will be contained in the Company's management information circular dated May 6, 2025, which is available on SEDAR+ (www.sedarplus.ca) under ASCU's issuer profile. Additional financial information is provided in the Company's financial statements and management's discussion and analysis for the Company's most recently completed financial year. Additional information relating to the Company may also be found on SEDAR+ (www.sedarplus.ca) under ASCU's issuer profile.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

ARIZONA SONORAN COPPER COMPANY INC. AUDIT COMMITTEE CHARTER

Adopted by the Board of Directors on June 21, 2021.

1. PURPOSE

The Audit Committee (the "**Committee**") of Arizona Sonoran Copper Company Inc. (the "**Company**") shall have the responsibility of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company. The Committee shall also be responsible for oversight of the Company's risk management and complaint processes.

2. COMPOSITION

2.1 Members

The Committee shall be composed of at least three and not more than five directors (collectively, the "**Members**"). The Board of Directors of the Company (the "**Board**") shall appoint the Members annually, at the Board's first meeting held following the annual general meeting of shareholders of the Company, to hold office for the ensuing year until their successor is appointed, or until they resign, cease to be a director or are removed or replaced by the Board.

2.2 Qualifications

Each Member of the Committee shall be "independent" (as defined in NI 52-110) and "financially literate" except to the extent permitted by National Instrument 52-110 – Audit Committees, as it may be amended or replaced from time to time ("NI 52-110"), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment. Attached hereto as Schedule "A" of this Charter sets forth the definitions of both "independent" and "financially literate" under NI 52-110 as in effect on the date of the adoption of this Audit Committee Charter.

2.3 Chair

The Members shall elect the chair of the Committee (the "**Committee Chair**") to hold office for the ensuing year until their successor is elected, or until they resign, cease to be a director or are removed or replaced by the Board or the Committee.

The position description and responsibilities of the Committee Chair are set out in Schedule "B" attached hereto.

2.4 Removal and Replacement

Any Member of the Committee may be removed or replaced at any time by the Board and shall cease to be a Member of the Committee on ceasing to be a director of the Company. The Board may fill vacancies by appointment from among the Board. If, and whenever, a vacancy shall exist on the Committee, the remaining Members may exercise all of their powers so long as a quorum remains.

3. MEETINGS AND PROCEDURES

3.1 Meetings

The Audit Committee shall meet as frequently as required, but at least once per quarter.

3.2 Independent Meetings

The Members may meet in-camera, independently and with only members of the Committee in attendance, following most meetings of the Committee, or as necessary.

3.3 Quorum

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of Members.

3.4 Notice

Committee meetings shall be held from time to time and at such place as any member of the Committee shall determine with not be less than twenty-four (24) hours advanced notice. The notice period may be waived by all members of the Committee. Any member of the Committee or the independent auditors of the Company may call a meeting.

3.5 Participation

Members may participate in a meeting of the Committee in person or by means of telephone, web conference or other communication equipment. The Committee may invite such other directors, officers and employees of the Company and such other advisors and persons as is considered advisable to attend any meeting of the Committee. For greater certainty, the Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

3.6 Agenda and Minutes

The Chair of the Committee, with the assistance of the Corporate Secretary, shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall be, to the extent practical, communicated to members of the Committee sufficiently in advance of each meeting to permit meaningful review. The Committee will keep minutes of its meetings which shall be available for review by the Board.

3.7 Voting

Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by written resolution signed by all of the members of the Committee and any such action shall be as effective as if it had been decided by a majority of the votes cast at a Committee meeting. In case of an equality of votes, the matter will be referred to the Board for decision. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than any sole discretion and authority provided under this Charter and as allowed under applicable laws and regulations.

3.8 Report to Board

The Committee shall report regularly to the entire Board. The Chair of the Committee shall report any decisions or significant matters to the Board at a duly called Board meeting.

3.9 Assessment of Charter

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

4. PRIMARY DUTIES, POWERS AND RESPONSIBILITIES

The Committee shall provide assistance to the Board in fulfilling its oversight responsibilities under applicable laws with respect to (i) the overall integrity of the Company's financial reporting processes, (ii) financial reporting and

disclosure requirements; (ii) the system of internal control over financial reporting that management has established; (iii) the internal (if applicable) and external audit process; (iv) compliance with legal and regulatory requirements; (v) the processes for identifying, evaluating and managing the Company's principal risks impacting financial reporting, and (vi) the independent auditors' qualifications and independence.

4.1 Primary Duties and Responsibilities

The Committee's primary duties and responsibilities are to:

- 4.1.1 conduct such reviews and discussions with management and the external auditors relating to audit and financial reporting as are deemed appropriate by the Committee;
- 4.1.2 assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- 4.1.3 as applicable, review the quarterly and annual financial statements and management's discussion and analysis ("MD&A") of the Company's financial position and operating results and in the case of the annual financial statements and related MD&A, report thereon to the Board for approval of same;
- 4.1.4 select and monitor the independence and performance of the Company's external auditors, including attending private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- 4.1.5 provide oversight of all disclosure relating to, and information derived from, financial statements, MD&A and information.

4.2 Scope of Authority and Responsibility

- 4.2.1 The Committee shall have the power to conduct or authorize investigations appropriate to its responsibilities, and it may request the external auditors, as well as any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) or advisors of the Committee.
- 4.2.2 Whilst the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies used. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.
- 4.2.3 The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.
- 4.2.4 The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company's external auditor and the Board. The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.
- 4.2.5 The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company's own policies.

- 4.2.6 The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company, as it deems advisable.
- 4.2.7 In fulfilling its responsibilities, the Committee will carry out the specific duties set out in this Charter.

5. SPECIFIC DUTIES, POWERS AND RESPONSIBILITIES

For the purposes of this Charter, specific accounting, financial and treasury related duties delegated to the Committee by the Board include:

5.1 Financial Accounting and Reporting Processes

- 5.1.1 Prior to such time as the Company publicly discloses the following information, the Committee shall review along with related reports and presentations, discuss with management and auditors as needed, and recommend for approval to the Board the following information:
 - (a) annual audited and interim financial statements and related MD&A to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related MD&A, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities;
 - (b) accounting policies that affect the financial statements; and
 - (c) annual and interim earnings press releases.
- 5.1.2 With respect to the annual audited financial statements, the Committee shall discuss with management and external auditors as it deems appropriate, significant issues regarding accounting principles, practices, and judgments. The Committee shall consider whether the Company's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Company. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements that the review function has been effectively carried out.
- 5.1.3 Review the annual report (see "External Audit", below) for consistency with the financial disclosure referenced in the annual financial statements.
- 5.1.4 Be satisfied as to the adequacy of procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's annual and interim financial statements, MD&As, and annual and interim earnings press releases, and periodically assess the adequacy of such procedures.
- 5.1.5 The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Company (including before the Company publicly discloses this information).
- 5.1.6 Review and approve quarterly financial statements, accounting policies that affect the statements, the quarterly MD&A, and associated press releases.
- 5.1.7 Review significant issues affecting financial reports.
- 5.1.8 Review emerging GAAP developments that could affect the Company.

- 5.1.9 Understand how management develops interim financial information and the nature and extent of external audit involvement.
- 5.1.10 In its review of the annual and quarterly financial statements, discuss the quality of the Company's accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.
- 5.1.11 Review and approve any earnings guidance to be provided by the Company.

5.2 **Internal Controls over Financial Reporting and Disclosure Controls and Procedures**

- 5.2.1 Review reports from management and auditors and consider the effectiveness of the Company's internal controls over financial reporting and related information technology, security, and control at least twice annually.
- 5.2.2 Review and approve corporate signing authorities and modifications thereto.
- 5.2.3 Review with the Company's auditors any issues or concerns related to any internal control systems in the process of the audit.
- 5.2.4 Review the plan and scope of the annual audit with respect to planned reliance and testing of controls and major points contained in the auditor's management letter resulting from control evaluation and testing.
- 5.2.5 Establish and maintain complaint procedures regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Such procedures are appended hereto as Schedule "C".
- 5.2.6 Review with management, external auditors and legal counsel any material litigation claims or other contingencies, including tax assessments and the adequacy of financial provisions, that could materially affect financial reporting.
- 5.2.7 The Committee shall meet no less than annually with the Chief Financial Officer (the "CFO") or, in the absence of a CFO, with the officer of the Company in charge of financial matters, and the Chief Executive Officer, to review accounting practices, the Company's internal controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures, and such other matters as the Committee deems appropriate.
- 5.2.8 The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.
- 5.2.9 Approve all material related party transactions in advance.
- 5.2.10 The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the CFO to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Company.

5.3 **External Audit**

- 5.3.1 Have the authority to communicate directly with the external auditor and the CFO and arrange for the external auditor to be available to the Committee and the Board as needed.

- 5.3.2 Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing any other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 5.3.3 Review and approve the audit plans, scope and proposed audit fees.
- 5.3.4 Annually review the independence of the external auditors by receiving a report from the independent auditor detailing all relationships between them and the Company.
- 5.3.5 Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor, any audit problems or difficulties experienced by the external auditor in performing the audit, and resolving disagreements between the external auditor and management.
- 5.3.6 Discuss with the auditors the results of the audit, any changes in accounting policies or practices and their impact on the financials, as well as any items that might significantly impact financial results.
- 5.3.7 Receive a report from the auditors on critical accounting policies and practices to be used, all alternative treatments of financial information within Canadian GAAP and applicable rules and regulations that have been discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the auditor.
- 5.3.8 Review and discuss with the external auditor all critical accounting policies and practices to be used in the Company's financial statements, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the external auditor.
- 5.3.9 Review any major issues regarding accounting principles and financial statement presentation with the external auditor and management, including any significant changes in the Company's selection or application of accounting principles and any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
- 5.3.10 Receive an annual report (the "Annual Report") from the auditors describing the audit firm's internal quality-control procedures, and material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out the firm, and any steps taken to deal with any such issues.
- 5.3.11 Ensure regular rotation of the lead partner and reviewing partner.
- 5.3.12 Evaluate the performance of the external auditor and the lead partner annually.
- 5.3.13 Recommend to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditor.
- 5.3.14 Meet with the auditors, separately and apart from management, at least once a year.

- 5.3.15 Require, in accordance with applicable law, that the external auditors report directly to the Committee and not to management.
- 5.3.16 Review and discuss on an annual basis with the external auditor all significant relationships they have with the Company, management, the external asset manager or employees that might interfere with the independence of the external auditor.
- 5.3.17 Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable securities laws) to be provided by the external auditor.
- 5.3.18 Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- 5.3.19 Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Company.

5.4 **Non-Audit Services**

- 5.4.1 Pre-approve all allowable non-audit services, as further set out in Schedule "1-D" to be provided by the external auditor.
- 5.4.2 Review the fees paid by the Company to the external auditors in respect of non-audit services on an annual basis.

5.5 **Risk Management**

- 5.5.1 The Committee shall inquire of management and external auditors about the processes in place to identify and manage the principal risks or exposures that could impact the financial reporting of the Company.
- 5.5.2 Review and report on any directors and officers insurance policy put in place by the Company.
- 5.5.3 Review and approve corporate investment policies.
- 5.5.4 Assess, as part of its internal controls responsibility, the effectiveness of the overall process for identifying principal business risks and report to the Board on such assessments.

5.6 **Other Responsibilities and Matters**

- 5.6.1 Following meetings of the Committee, report through the Committee Chair to the Board.
- 5.6.2 Review annually the adequacy of the Committee Charter and confirm that all responsibilities have been carried out.
- 5.6.3 Evaluate the Committee's and individual Member's performance on a regular basis and report annually to the Board the results of such annual self-assessment.
- 5.6.4 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- 5.6.5 Discuss the Company's compliance with tax and financial reporting laws and regulation, if and when any such issues arise.
- 5.6.6 Perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

6. ADVISORS

Based on its sole judgment and discretion, and without obtaining prior approval of the Board, the Committee has the authority to engage independent counsel and other advisors as it deems necessary in order to carry out its duties and to set and pay compensation for any advisors employed by the Committee at the cost of the Company. The Committee has the authority to communicate directly with the external auditors of the Company.

SCHEDULE 1-A

ARIZONA SONORAN COPPER COMPANY INC. NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

"1.4 MEANING OF INDEPENDENCE

1. An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
2. For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
3. Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12-month period within the last three years.
4. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

- (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
5. For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
6. For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
7. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
8. For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer."

1.5 ADDITIONAL INDEPENDENCE REQUIREMENTS

1. Despite any determination made under section 1.4, an individual who:
- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
2. For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
3. For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

1.6 MEANING OF FINANCIAL LITERACY

For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements."

SCHEDULE 1-B

ARIZONA SONORAN COPPER COMPANY INC. POSITION DESCRIPTION FOR THE CHAIR OF THE AUDIT COMMITTEE

1. PURPOSE

The chair (the "Chair") of the Audit Committee (the "Committee") shall be an independent director who is elected by the board of directors (the "Board") or designated by majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of Arizona Sonoran Copper Company Inc. (the "Company").

2. WHO MAY BE CHAIR

The Chair will be elected from amongst the independent directors of the Company who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chair will be elected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by majority vote of the Committee.

3. RESPONSIBILITIES

The following are the primary responsibilities of the Chair:

- (a) chair all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) ensure adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;
- (c) provide leadership to the Committee to enhance the Committee's effectiveness, including:
 - (i) act as liaison and maintain communication with the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
 - (ii) ensure that the Committee works as a cohesive team with open communication, as well as to ensure open lines of communication among the independent auditors, financial and senior management and the Board for financial and control matters;
 - (iii) ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
 - (iv) ensure that the Committee serves as an independent and objective party to monitor the Company's financial reporting process and internal control systems, as well as to monitor the relationship between the Company and the independent auditors to ensure independence;
 - (v) ensure that procedures as determined by the Committee are in place to assess the audit activities of the independent auditor t functions; and

- (vi) ensure that procedures as determined by the Committee are in place to review the Company's public disclosure of financial information and assess the adequacy of such procedures periodically;
- (d) ensure that procedures as determined by the Committee are in place for dealing with complaints received by the Company regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;
- (e) manage the Committee, including:
 - (i) adopt procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - (ii) prepare the agenda of the Committee meetings and ensure pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - (iii) ensure meetings are appropriate in terms of frequency, length and content;
 - (iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arrange meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - (v) oversee the Committee's participation in the Company's accounting and financial reporting process and the audits of its financial statements;
 - (vi) ensure that the auditor's report directly to the Committee, as representatives of the Company's shareholders;
 - (vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
 - (viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time; and
- (f) perform such other duties as may be delegated from time to time to the Chair by the Board.

SCHEDULE 1-C

ARIZONA SONORAN COPPER COMPANY INC.
PROCEDURE FOR THE SUBMISSION OF COMPLAINTS OR CONCERNS REGARDING
ACCOUNTING, INTERNAL ACCOUNTING CONTROLS, OR AUDITING MATTERS

1. The Company shall forward to the Audit Committee any complaints that it has received regarding accounting, internal accounting controls, or auditing matters.
2. any employee of the Company so desires, he or she may submit any concerns or complaints, on a confidential and anonymous basis, by sending any concerns or complaints in a sealed envelope to:

Attention: Chair of the Audit Committee
950 W, Elliot Rd., Suite 122
Tempe, Arizona 85284

The email is to be clearly marked, "To be reviewed by the Audit Committee only."

3. Contact information including a phone number and e-mail address shall be published for the Chair of the Audit Committee on the Company's website for any individuals wishing to contact the Chair directly.
4. At each of its meetings following the receipt of any information pursuant to this Schedule "C", the Audit Committee shall review and consider any such complaints or concerns and take any action it deems appropriate in the circumstances.
5. The Audit Committee shall retain any such complaints or concerns along with the material gathered to support its actions for a period of no less than seven (7) years. Such records will be held on behalf of the Audit Committee by the Chair of the Audit Committee.
6. This Schedule "C" shall appear on the Company's website as part of its Audit Committee Charter.

SCHEDULE 1-D

ARIZONA SONORAN COPPER COMPANY INC. PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES

1. The Company's external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Company's accounting records or financial statements;
 - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (c) actuarial services;
 - (d) internal audit outsourcing services;
 - (e) management functions;
 - (f) human resources;
 - (g) broker or dealer, investment adviser or investment banking services;
 - (h) legal services; and,
 - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Company's accounting standards, from time to time determines is impermissible.

2. In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Company's external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.