

ASCU:TSX  
ASCUF:OTCQX

# Invest in Sustainability

Developing an Arizona Copper Mine to Supply the  
Energy Transition

June 2023



ARIZONA SONORAN  
COPPER COMPANY

This presentation ("Presentation") is being furnished on a confidential basis in order to provide readers certain information with respect to the business and operations of Arizona Sonoran Copper Company Inc. (the "Company" or "ASCU").

This presentation contains forward-looking information within the meaning of applicable Canadian and United States securities legislation. All information contained in this presentation, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). All of the forward-looking information in this presentation is qualified by this cautionary note.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by the company at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information are described under the heading "Risk Factors" in the ASCU Final prospectus dated November 9, 2021 and filed on SEDAR, and recent financial disclosures. Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, you should not place undue reliance on forward-looking information. ASCU does not assume any obligation to update or revise any forward-looking information after the date of this presentation or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law. This presentation contains certain financial measures which are not recognized under IFRS, such as cash cost, sustaining and all-in sustaining cash cost per pound of copper. For a detailed description of each of the non-IFRS financial performance measures used in this presentation, please refer to ASCU's management's discussion and analysis for the nine months ended September 30, 2021 available on SEDAR at [www.sedar.com](http://www.sedar.com). All amounts in this presentation are in U.S. dollars unless otherwise noted.

## Technical Information

The scientific and technical information in this Presentation, other than in respect of metallurgy, was prepared under the supervision of Mr. Allan Schappert, Stantec. The scientific and technical information in this Presentation in respect of metallurgy was prepared under the supervision of Dr. Martin Kuhn, MAG. Each of Mr. Allan Schappert and Dr. Martin Kuhn is a Qualified Person as defined by National Instrument 43-101—Standards of Disclosure for Mineral Projects.

The potential quantity and grade presented in the Exploration Target ranges are conceptual and have insufficient exploration and drill density to define a Mineral Resource. At this stage, it is uncertain if further exploration will result in the targets being delineated as a Mineral Resource. Estimates of exploration targets are not Mineral Resources and are too speculative to meet the NI 43-101 reporting standards.

ASCU has conducted extensive exploration work to delineate the exploration target contained in this presentation. This work includes analysis and interpretations from four historical and the two recently drilled core holes into the project, similarities of mineralization intercepted to that of the adjacent Cactus project (for mineralization and alteration characteristics, and grade architecture), and review of geophysical and surface ionic leach programs to support realistic target ranges for extent, thickness, and grade. The Exploration Target ranges assume an underground target for exploration purposes.

## Peers

The comparable information about other issuers was obtained from public sources and has not been verified by the Company. Comparable means information that compares an issuer to other issuers. The information is a summary of certain relevant operational and valuation attributes of certain mining and resource companies and has been included to provide the prospective investor an overview of the performance of what are expected to be comparable issuers. The comparables are considered to be an appropriate basis for comparison with the Company based on their industry, size, operating scale, commodity mix, jurisdiction, capital structure and additional criteria. The comparable issuers face different risks from those applicable to the Company. Investors are cautioned that there are risks inherent in making an investment decision based on the comparables, that past performance is not indicative of future performance and that the performance of the Company may be materially different from the comparable issuers. If the comparables contain a misrepresentation, investors do not have a remedy under securities legislation in any province in Canada. Accordingly, investors are cautioned not to put undue reliance on the comparables in making an investment decision.

# Developing the Next Copper Mine on Private Land in Arizona

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To reach the Net Zero emissions goal, 9.7Mt of new copper supply to be added over the next decade. Meaning US\$23B investment per year will be needed over 30 years to deliver new copper projects to reach zero-carbon targets. – Wood Mackenzie, 2023

## High Quality Project

Low-geopolitical risk

Brownfields porphyry copper project, SX/EW

Water and surface rights

Top tier jurisdiction

## Growth-focused

Base-case economics on Cactus and Parks/Salyer

Exploration upside

Primary Sulphide optionality

## Experienced Management

A proven track record of delivering successful mining projects

The team takes an environmental and socially conscious approach to project development



# Capital Structure & Ownership

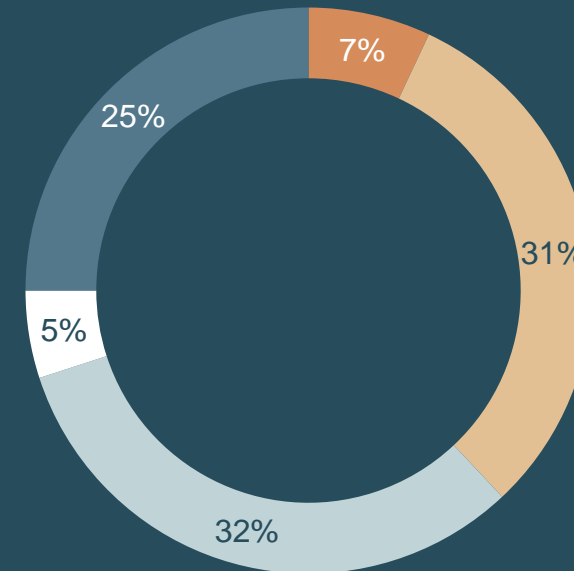
## CAPITAL STRUCTURE

Market Capitalization	<b>C\$190M</b>
Shares Outstanding (M)	<b>108.6</b>
Warrants (M)	<b>2.9</b>
Options (M)	<b>5.6</b>
RSU's (M) <sup>(1)</sup>	<b>0.2</b>
DSU's (M)	<b>0.5</b>
Fully Diluted Share Capital (M)	<b>117.9</b>
Cash as at March 29, 2023	<b>US\$25M</b>
Debt	<b>Debt Free</b>

Notes:

(1) RSUs may be issued in shares or cash

## OWNERSHIP



- Rio Tinto
- Tembo
- Institutional
- Management
- Retail

### Including:

Beedie Capital  
Delbrook  
Konwave  
Macquarie  
Ixios  
US Global  
Russell Investment Mgmt  
Palos Management  
Empire Life  
Sentry  
TBF Global AM  
Sprott COPJ ETF

## ANALYST COVERAGE

cg/Canaccord  
Genuity

EXPLORATION  
insights

iA

ROTH MKM

CORMARK  
SECURITIES INC.

CAPITAL MARKETS  
HAYWOOD

RBC  
Capital Markets

STIFEL | GMP

# Management Team with Track Record of Execution



**George Ogilvie, P.Eng.**  
**PRESIDENT, CEO & DIRECTOR**

+30 years of management, operating and technical experience in the mining industry. Previously **President & CEO of Battle North (sold to Evolution Mining), CEO of Kirkland Lake, and CEO of Rambler Metals**



**Ian McMullan, P.Eng., MBA**  
**COO**

+25 years of mining experience in operational and management roles. **20 year tenure with Newmont** including responsibility for ramp-up and expansion of Leeville and Carlin Portal (Newmont/Barrick). **Previously VP of Mining at Klondex**



**Nick Nikolakakis, BSc, MBA**  
**VP FINANCE AND CFO**

+27 years of North American executive mining finance experience. Former **VP Finance and CFO of Battle North, Rainy River and Placer Dome, VP Corporate Finance at Barrick and other positions at North American Palladium and BMO Nesbitt Burns.**



**Rita Adiani, LLB Hons**  
**SVP STRATEGY & CORPORATE DEVELOPMENT**

+16 years of mining experience across strategy & business development, investment banking and corporate law. Previously **EVP and Head of Business Development at Xiana Mining, MD at NRG Capital Partners, VP at Societe Generale and Senior Corporate Finance Manager at La Mancha**



**Doug Bowden, MSc.**  
**VICE PRESIDENT, EXPLORATION**

+40 years mining experience throughout North America and Mexico. Responsible for managing exploration programs for Amselco, BP Minerals, Kennecott and Western Uranium. **Senior executive positions held at Gold Summit Corporation, Western Uranium and Concordia**



**Travis Snider, B.Sc, Env Chem, SME**  
**VICE PRESIDENT, SUSTAINABILITY & EXTERNAL RELATIONS**

+20 years experience in the mining industry in Arizona. Previously **Mining Project Manager at Engineering & Environmental Consultants, SVP of Operations for Sierra Resource Group and VP of Mining & Oil operations for Wilcox**



**Alison Dwoskin, CPIR**  
**DIRECTOR, INVESTOR RELATIONS**

+15 years in investor relations. **Formerly Manager, Investor Relations of Klondex Mines and Eastmain Resources.** Began her career at a Toronto-based IR firm, broadly specializing in mining

## STRONG SPONSOR SUPPORT

**RioTinto**

- Global leading diversified metals and mining company with operations in 35 countries.
- Innovating technologies to advance the mining industry
- Shareholder since 2022

**TEMBO  
CAPITAL**

- Private equity fund investing in junior and mid-tier mining companies, with low cost, quality assets managed by high caliber teams
- Shareholder since 2020



**Toronto  
Corporate  
Office**



**Arizona  
Corporate  
Office/Site**

# Experienced Board of Directors



**David Laing, B.Sc. Eng**

**CHAIR OF THE BOARD OF DIRECTORS**

+40 years experience in the mining industry with roles across operations, project development, mining finance & M&A. **Previously EVP and Senior VP of Operations for Endeavour Mining, COO of Equinox Gold, True Gold and Quitana Resources. Currently Chair of Fortuna Silver and Director of Northern Dynasty Mineral, Blackrock Silver Corp and Amarillo Gold Corp**



**Thomas Boehlert, ICD.D**

**DIRECTOR**

+30 years in the agribusiness, mining & energy. Experienced finance executive at 6 international public & private resource companies. 14 years' experience in infrastructure and energy project finance banking at **Credit Suisse. Previously EVP, CFO of Bunge Limited, President, CEO of First Nickel Inc., EVP, CFO for Kinross Gold Corporation & CFO of Texas Genco. Previously also non-executive director of Harry Winston and TMAC Resources**



**George Ogilvie, P.Eng.**

**PRESIDENT, CEO & DIRECTOR**

+30 years of management, operating and technical experience in the mining industry. **Previously President & CEO of Battle North (sold to Evolution Mining), CEO of Kirkland Lake, and CEO of Rambler Metals.** Began his career with AngloGold in South Africa, also held roles at Hudbay and served as Area Manager for Dynatek



**Alan Edwards, B.Sc. Eng, MBA**

**DIRECTOR**

+35 years of operational and executive experience in the mining sector. **Previously CEO of Oracle Mining, President & CEO of Copper One and Frontera Copper, COO of Apex Corporation. Currently also director of Americas Gold and Silver, Entrée Resources & Orvana Minerals**



**Mark Palmer, B.Sc**

**DIRECTOR**

+30 years in the mining industry with roles in finance and industry. Currently Partner at **Tembo. Previously at Rothschild and responsible for EMEA Mining Investment Banking at UBS. Also served as Vice Chair of Canaccord Genuity. Currently also serves on the board of Orion Minerals**



**Sarah Strunk**

**DIRECTOR**

+37 years in the mining law, with commercial, legal and transactional experience. Currently Chair at **Fennemore Craig and Director of Teck. Previously at Cyprus Amax Minerals Corporation. Also served on the Board of Arizona Mining Association, as Trustee of the Foundation for Natural Resource and Energy Law, and as Chair of Brio Gold**



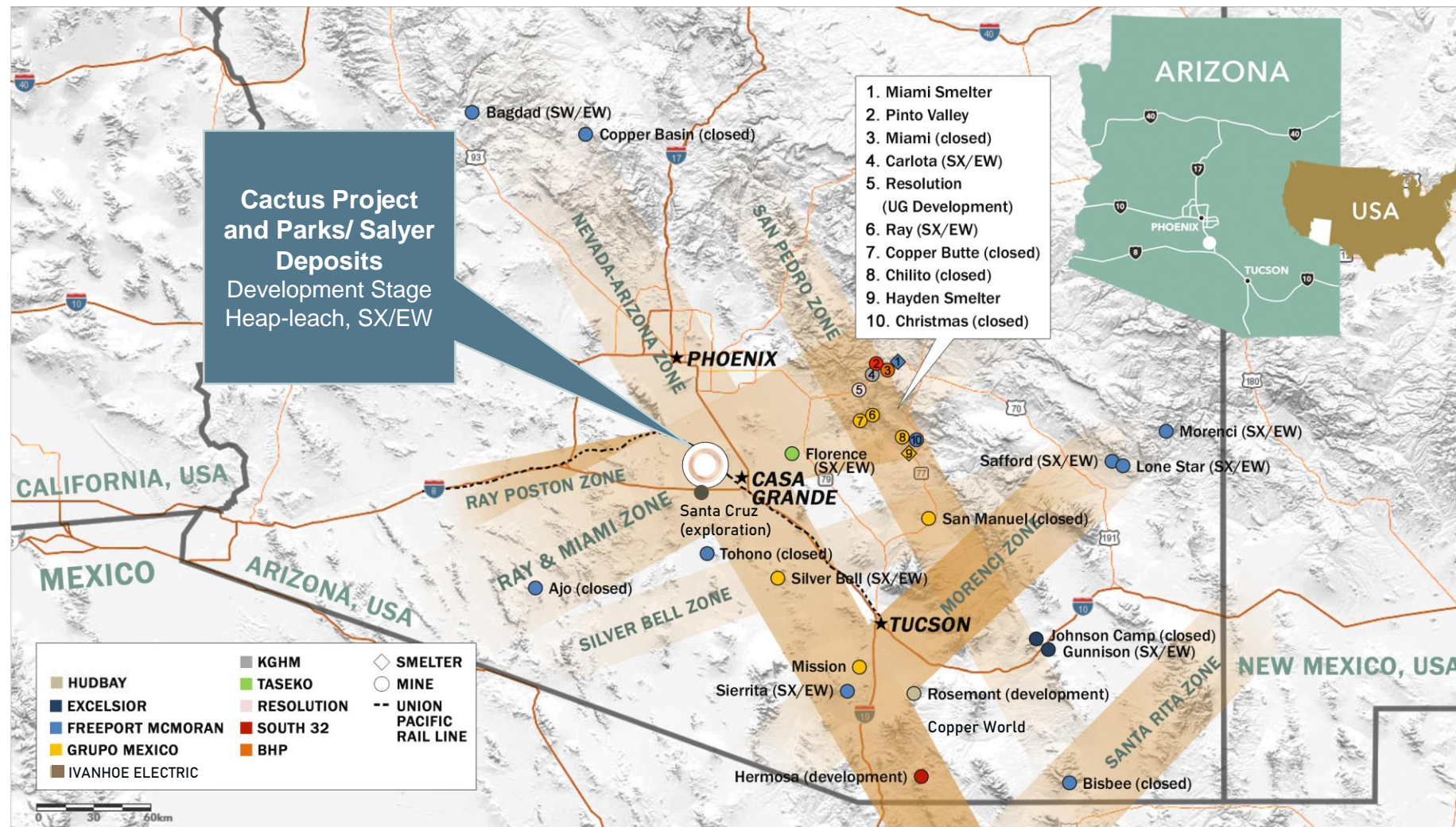


Location Advantage



# Low Geopolitical Risk and Community Support

Centrally located for Accessible Infrastructure and Skilled Labour-force



Arizona is the **USA's leading copper-producing state** which accounted for **70%** of domestic output of copper in 2022<sup>(1)</sup>



Arizona ranked **No. 5** for the year 2021 in Fraser Institute's Investment Attractiveness Index<sup>(2)</sup>

Notes: (1) USGS Copper Data Sheet- Mineral Commodity Summaries 2023 (2) Fraser Institute Annual Survey of Mining Companies 2021, available at [www.fraserinstitute.org](http://www.fraserinstitute.org)



# A Clear Path to Development with Major Permits in Place

## COMPLETED PERMITS

Permit		Permit Office
<b>Air Quality Dust Permit</b>		Pinal County
<b>Arizona Pollution Discharge Elimination System (402) (SWPPP)</b>	★	ADEQ
<b>Water Rights</b> Use up to 3,800 acre-ft / yr	★	ADWR
<b>Aquifer Protection Permit</b> For Stockpile Project	★	ADEQ
<b>General Plan Amendment</b> Including development agreement and city zoning change from residential to industrial	★	Casa Grande
<b>Aquifer Protection Permit</b> Major amendment	★	ADEQ
<b>Mined Lands Reclamation Permit (MLRP)</b>	★	Arizona State Mine Inspector
<b>Industrial Air Permit</b>	★	Pinal County

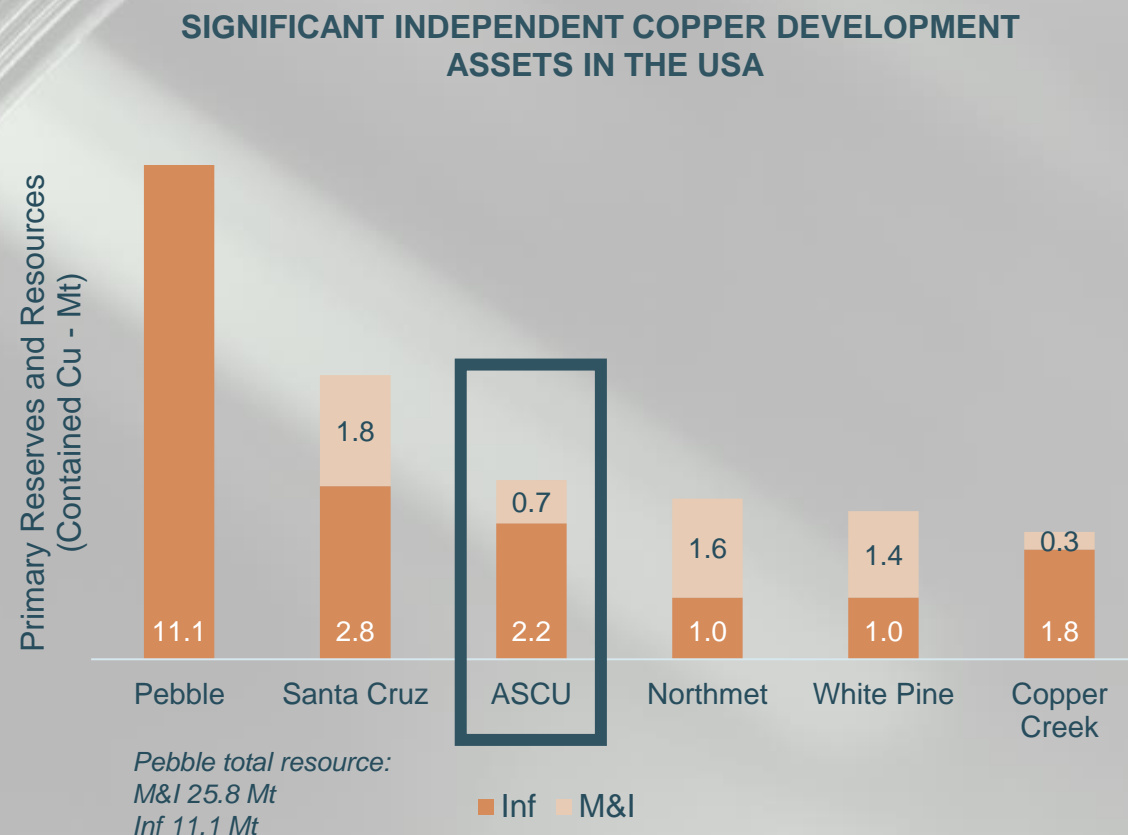
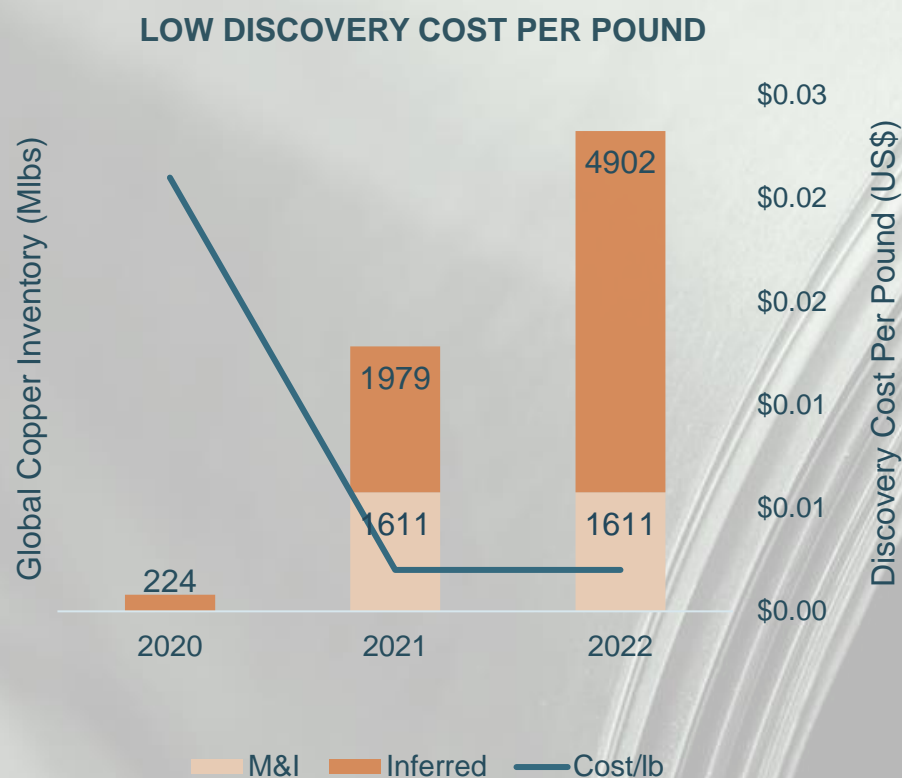
★ Indicates major permit

## OUTSTANDING PERMITS – STREAMLINED PROCESS

Permit	Permit Office	Status
<b>Reclamation Bond</b>	AZ State Mine Inspector	Application post-PFS
<b>Radio Station License, Wireless Communication</b>	FCC	
<b>Notice of Intent to Clear Land</b>	AZ Department of Agriculture	Required pursuant to a construction decision
<b>Mining Construction Permits</b>	Pinal County	
<b>Above-Ground Tank Storage</b>	ADEQ	
<b>State Notice of Startup/Miner Registration Number</b>	AZ State Mine Inspector/MSHA	

Major permits are now in place, based on the Cactus PEA. Amendments may be required for certain permits based on the upcoming PFS

# Among the Most Developed Independent US Development Copper Assets



Source: S&P Capital IQ USA and company reports| Metals and Mining Projects based on active, independent, development stage assets in the USA, as of Feb 15, 2022. Not including projects currently under JV. See PR dated Sept 28, 2022 for disclosures regarding the Cactus and Parks/Salyer MRE.





ECN-128 Oxide

ASCU PFS Base Case



# Brownfield Site – Water rights and Surface Rights

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## Infrastructure Valued at \$100M

- Offices, core shack and ancillary buildings
- Power substation
- Onsite metallurgical testing
- Water wells and water pond permitted
- Permitted water access to the year 2070
- Rail line (to ship concentrate to refinery)
- Stockpile (part of Integrated Cactus PEA)
- Vent raise, shaft and underground workings (has not been upgraded)





# PEA Base Case – Cactus Mine forms the Step-up PFS Base

Project Economics + Rescoped Opportunity

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PEA BASE CASE PROJECT METRICS <sup>(1)(2)</sup> Cactus Mine's Oxide and Enriched Material	
	Over the Life of Mine
Mine Life	1.27 B lbs of Cu over 18 years
Average Production	28 ktpa (56Mlbs); Peaks at 40 ktpa (80Mlbs)
Operating Costs <ul style="list-style-type: none"><li>Avg OPEX over LOM (US\$/t milled)</li><li>Avg C1 Cost over LOM (US\$/lb)</li><li>Avg AISC over LOM (US\$/lb)</li></ul>	<ul style="list-style-type: none"><li>US\$9.06/ton</li><li>US\$1.55/lb</li><li>US\$1.88/lb (incl. 3.18% royalty on Cactus)</li></ul>
Capex	<ul style="list-style-type: none"><li>Initial Construction Capex: US\$124M</li><li>Sustaining Capex over LOM: US\$340M</li></ul>
Free Cash Flow (Post tax Undiscounted)(US\$3.35/lb Cu)	<ul style="list-style-type: none"><li>US\$960M</li></ul>
NPV8 Post-Tax	<ul style="list-style-type: none"><li>\$312 M</li></ul>
IRR Post-Tax	<ul style="list-style-type: none"><li>33%</li></ul>



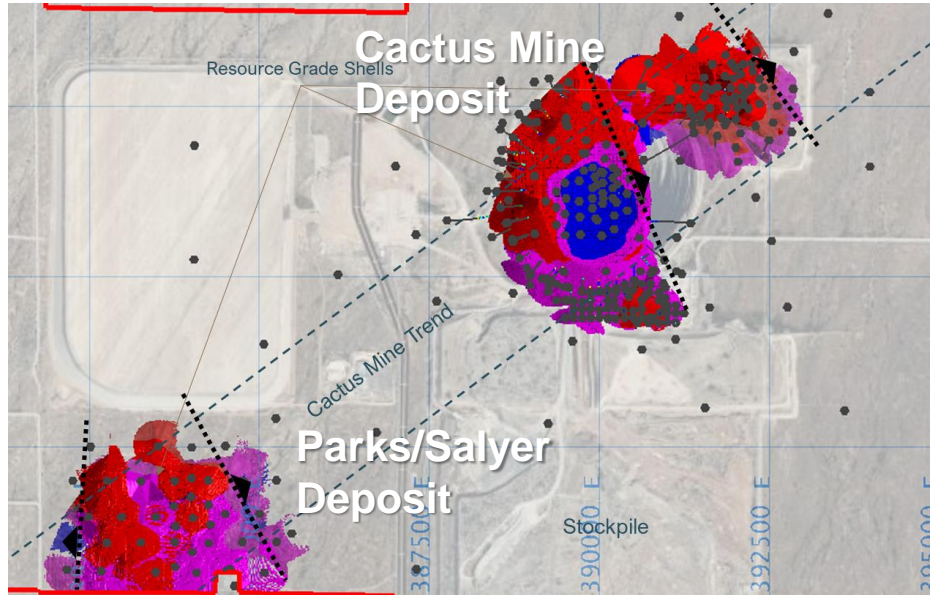
## Pending PFS layers in Parks/Salyer and targets 50 ktpa over approximately 30 years

- Mining inventory review to include material from:
  - PEA Base Case: Cactus West, Cactus East, Stockpile oxides and enriched material
  - ADDITIONS: Parks/Salyer oxide and enriched matter
- Development plan sequencing
- Metallurgical recoveries
- Park Salyer Geotechnical and Hydrology
- Operating cost parameters
- Capital cost parameters
- Macro inputs
- Nuton Leaching Technology Option

Sources/Notes: (1) Integrated Cactus PEA, Table 1-6, 1-7 (2) The Integrated Cactus PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineralized Material Sources: Stockpile, Cactus East, Cactus West, Parks/Salyer

# PFS - Base Case Targeting 50 ktpa Operation

Heap leach, SX/EW Proposed operation



Porphyry copper deposits  
Private land, brownfields mine site  
Water rights (up to 3,800 ac ft./yr) and onsite wells

## PFS Expected Q1 2024, programs include:

- 105,000 ft (32,000 m) infill to indicated drilling program complete
- Ongoing metallurgy
- Permitting well-advanced
- Lead engineer – Ausenco

FS infill to measured drilling has begun

## OXIDE AND ENRICHED MINERAL RESOURCE

Total Leachable Resource		Parks/Salyer		Underground (CE)		Stockpile		Open Pit (CW)	
Indicated	1.1 B lbs	Updating for PFS		146,200 Klbs 7.7 Mtons	0.954% Cu TSol	n/a		919,700 Klbs 66.2 Mtons	0.696% Cu TSol
Inferred	3.6 B lbs	2,460,900 Klbs 115.4 Mtons	1.066% Cu TSol	315,700 Klbs 17.9 Mtons	0.881% Cu TSol	223,500 klbs 77.4 Mtons	0.144% Cu TSol	672,100 Klbs 99.7 Mtons	0.334% Cu TSol



# Onsite Metallurgical Program in TruStone Facility





# Positive Metallurgical Programs – Recovery Rates by Mineral Type

## Cactus

### Cactus Programs complete with favourable leach cycles

- Enriched Material is acid generating, reducing reliance on external acid sources

## P/S

### Parks/Salyer Met Programs currently underway in onsite facility

- 20 ft columns online (Stockpile, P/S, Cactus)
- Preliminary results indicate acid generating enriched material with high recoveries

## Nuton

### Rio Tinto's Nuton division well underway testing primary sulphides

- Life of mine optimized target of 80% extraction

Updated metallurgy, see press releases dated February 23, 2022 and May 2, 2023 and June 5, 2023. See slide 20 for details on Nuton

ASCU Recovery rates assume blended CuAS and CuCN recovery rate

## Mineral Resource Estimate and ASCU led Recovery Rates

Category	Oxide			Enriched		
	Mineral Resource		Recovery Rates	Mineral Resource		Recovery Rates
Parks/Salyer (Proposed Underground)						
Inferred	14,100 kt	0.83% Cu TsoI	n/a	101,200 kt	1.10% Cu TSol	80%
Cactus East - Underground						
Indicated	4,400 kt	0.84% Cu TsoI	90%	3,300 kt	1.10% Cu TsoI	76%
Inferred	10,900 kt	0.72% Cu TsoI		7,000 kt	1.14% Cu TsoI	
Cactus West - Open Pit						
Indicated	27,000 kt	0.51% Cu TsoI	88%	39,200 kt	0.41% Cu TsoI	78%
Inferred	51,600 kt	0.27% Cu TsoI		48,100 kt	0.82% Cu TsoI	
Stockpile - Rehandling						
Inferred	77,400 kt	0.14% Cu TSol	90%	n/a		



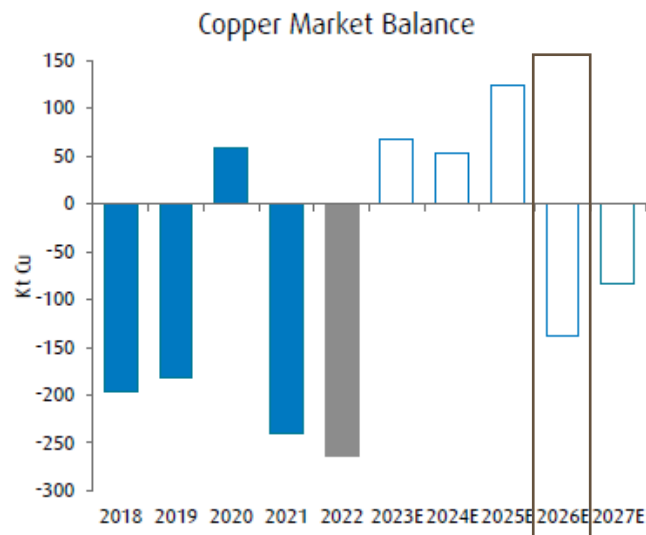
# First Cathodes Expected in 2026 – Copper Market Support 2025 and Beyond

Quick Path to Development

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Task	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	2025	2026	2027
Drilling						Ongoing exploration and infill					
Metallurgy											
Detailed Engineering											
Pre-Feasibility					★						
Permitting											
Feasibility Study							★				
Project Financing											
Construction								18 month build as per the PEA			
First Cathodes Produced										★	

■ PFS Work   
 ■ FS Work   
 ■ Pending positive construction decision

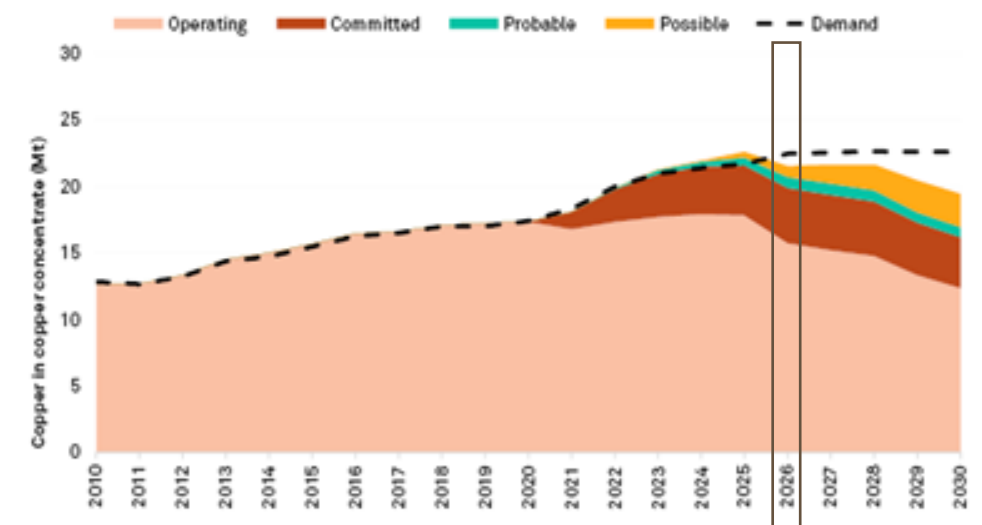


**Timing is everything.  
In 2026:**

Long-term copper price is predicted to exceed \$4.00 / lb

Copper supply is set to fall into deficit

Sources: BMO and S&P





Native Copper

# Beyond the Base Case

# Primary Sulphide Optionality – Preliminary Results Successful

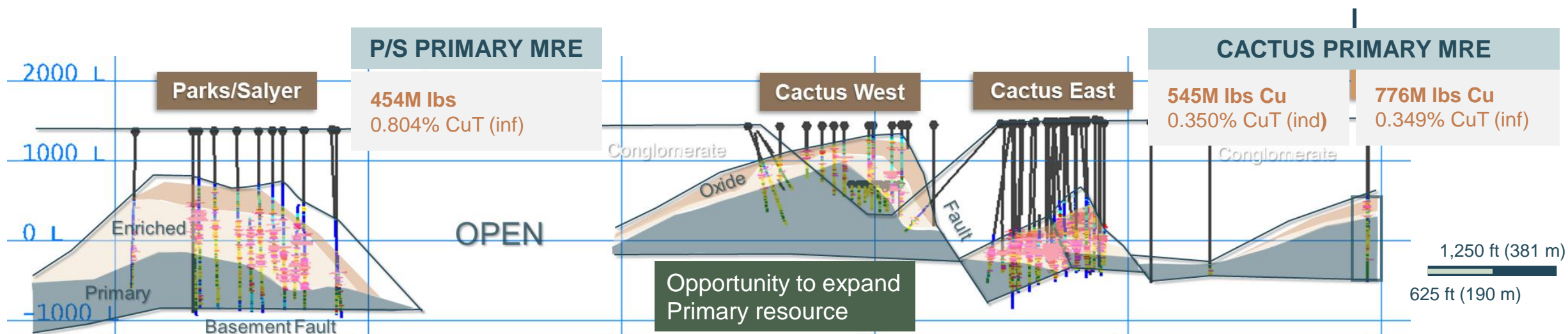
Partnership with Rio Tinto's Nuton™ technologies, testing the leachability of the primary sulphides

- 72% Cu extraction from Initial computer modelling
- 61%-81% preliminary Phase 1 column tests
- Phase 2 under negotiation to advance testing parameters
  - May include commercial terms
  - Additional rigorous column tests
  - Infill and expansion drilling around Cactus West

## ABOUT NUTON™

- Nuton™ is a proprietary suite of copper leach technologies
- Potential to unlock low-grade copper sulphide resources, copper bearing waste and tailings, and achieve higher copper recoveries on oxide and transitional material
- Exothermic, bioleach heap leach flowsheet
- Potential to deliver leading environmental performance
- Testing material from: Los Azules, Argentina (McEwen Copper), Tantahuatay-AntaKori, Peru (Regulus Resources), Gunnison, Arizona (Excelsior)

**Primary sulphides comprise 25% of the total resource**

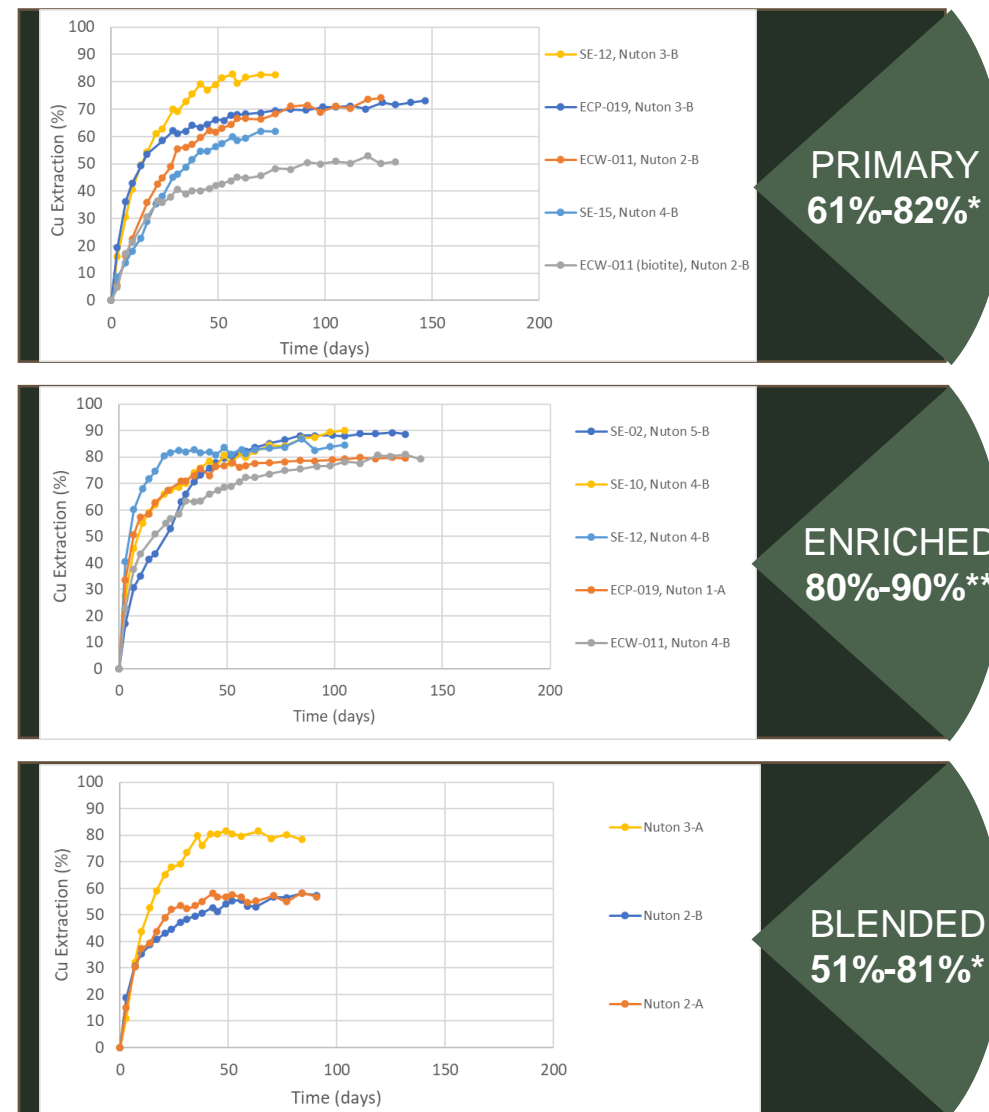




# Nuton Copper Extraction Column Data vs ASCU Data

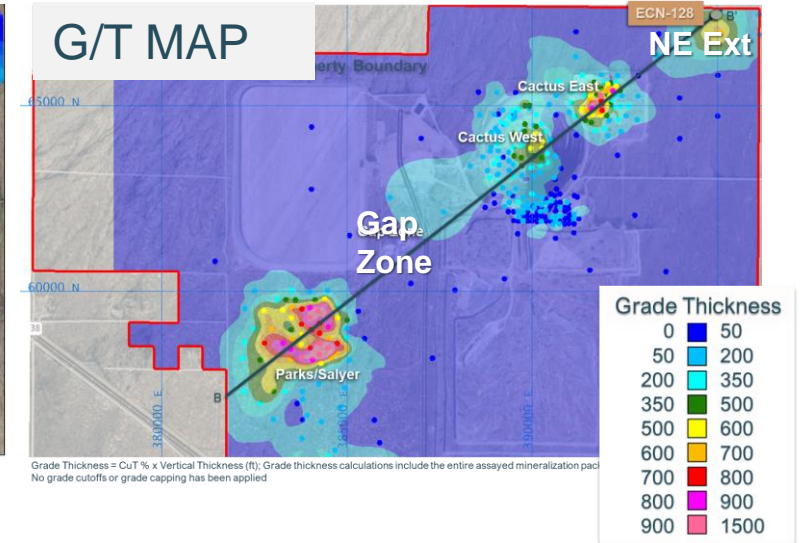
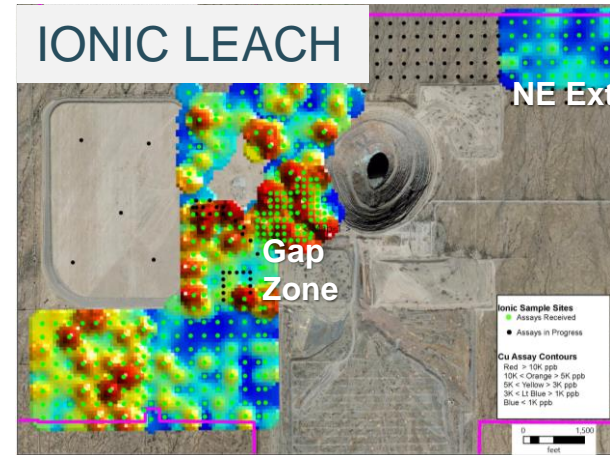
	ASCU				NUTON™	
	Programs updated Feb 2022 and May 2023				Preliminary Column Data	
Mineral Resource Location	Net Copper Extraction (% Cu AS)	Net Copper Extraction (% CuCN)	Blended Extraction (%)	Net Acid Consumption (kg/tonne)	Extraction (%)	Net Acid Consumption (kg/tonne)
Oxides						
Stockpile	90% <sup>1</sup>	40% <sup>1</sup>	81%	8	n/a	
Cactus West	92% <sup>1</sup>	73% <sup>1</sup>	88%	8		
Cactus East	92% <sup>1</sup>	73% <sup>1</sup>	90%	8		
Parks Salyer						
Enriched (Secondary Sulphide)						
Cactus West	92% <sup>1</sup>	73% <sup>1</sup>	78%	(-) <sup>5</sup>	80% - 90%	2.2
Cactus East	92% <sup>1</sup>	73% <sup>1</sup>	76%	(-) <sup>5</sup>	80% - 90%	2.2
Parks Salyer			80%	(-) <sup>5</sup>	80%	2.2
Primary Sulphides						
Flotation (ASCU)/ Leaching (Nuton)			86% <sup>2</sup>	(-) <sup>5</sup>	61% - 82% <sup>3</sup>	3.4
Blended (Primary and Secondary Sulphide)						
Flotation (ASCU)/ Leaching (Nuton)			91% <sup>2</sup>	(-) <sup>5</sup>	51% - 81% <sup>4</sup>	3.4

See PR dated June 5, 2023 for additional disclosure

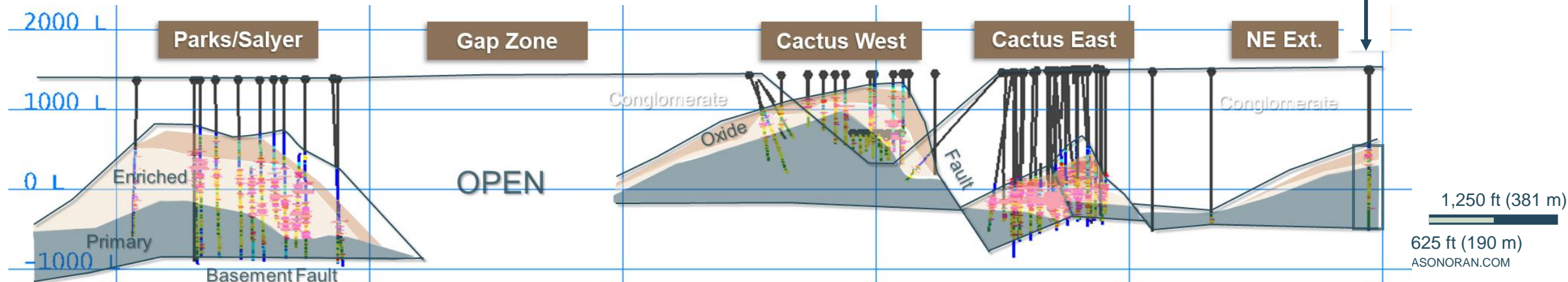


# Scalability via Exploration – Gap Zone and NE Extension

- Layering geophysics and drilling results show compelling drill targets along the 4 km porphyry copper mine trend:
- Gap Zone:
  - Priority target, outlined by ionic leach and magnetics
  - Historic condemnation drilling exists
- NE Extension:
  - ECN-128 confirmed mineralization, similar to P/S and CE, 1 km NE of CE
  - Historic drilling intercepted 3% Cu
- A 20,000 ft (6,100 m) exploration program is being considered at Gap Zone



**ECN-128 CONTINUOUS MINERALIZATION:**  
 997.4 ft @ 0.46% CuT, 0.20% Cu TsoI, 0.007% Mo  
 118.1 ft @ 0.97% CuT, 0.94% Cu TsoI (oxide)  
 151.4 ft @ 0.46% CuT, 0.38% Cu TSoI (enriched)  
 653.4 ft @ 0.40% CuT, 0.008% Mo (primary)







# Peer Benchmarking



## Pre-Feasibility

### Arizona Sonoran Copper Company

PFS expected in 1Q 2024  
FS expected in 2H 2024  
Mostly permitted  
Project financing expected 2H 2024  
Construction to 2H2024\*  
First Cathodes 2026 \*

*\*Pending positive construction decision*



## Construction

### Foran Mining

Financing and permits in hand, in construction



\$214 M Market Cap  
\$312 M NPV<sub>8</sub> (after-tax)  
18 yr, 1.2 Blbs LOM PEA released Aug 2021  
28,000 tpa

## Operations



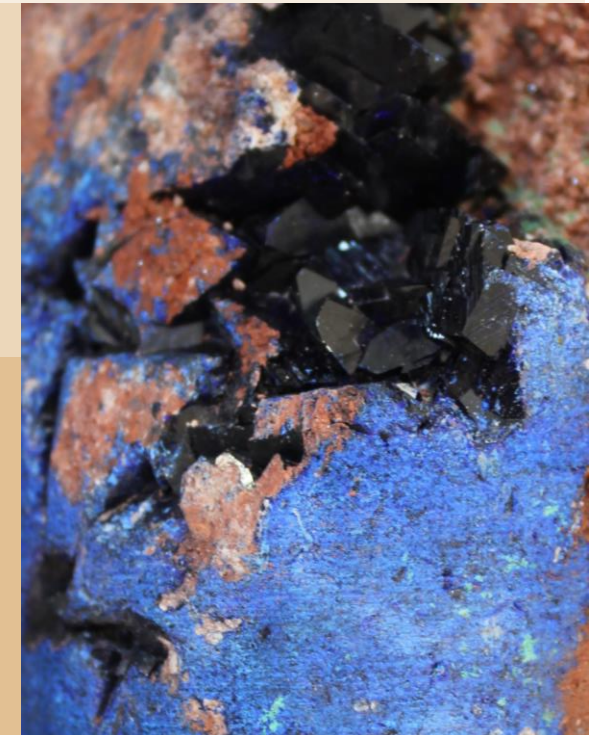
\$1,184 M Market Cap  
\$678 M NPV<sub>7</sub> (after-tax)  
18 yr, 1.2 Blbs LOM  
29,500 tpa

## ERO Copper

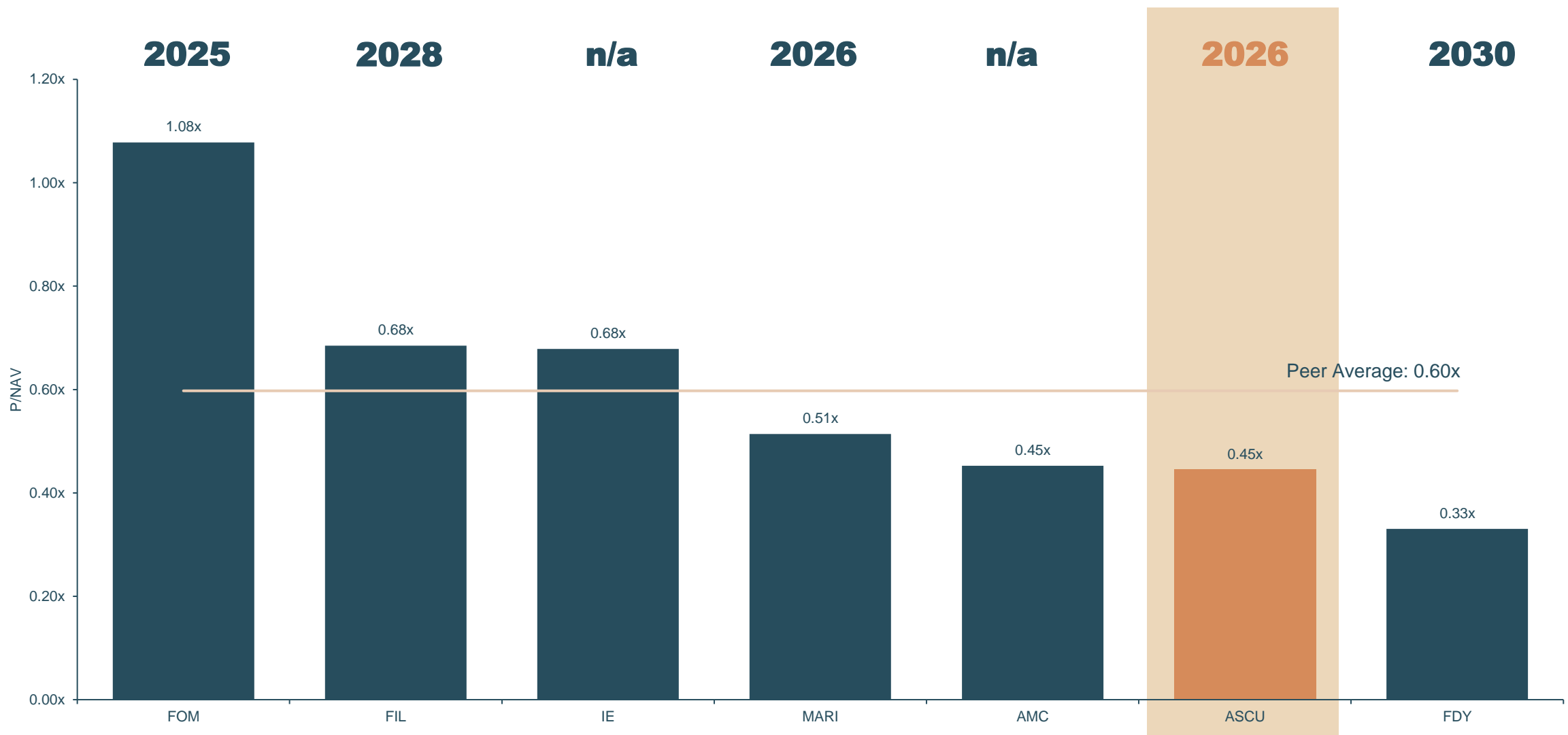
In operations  
270% Share Price Increase

\$2,461 M Market Cap  
\$966 M NPV\*  
20 yr, 556 Mlbs LOM  
62,000 tpa; 40,000 oz/y

*\*Analyst estimate, pre-resource update*



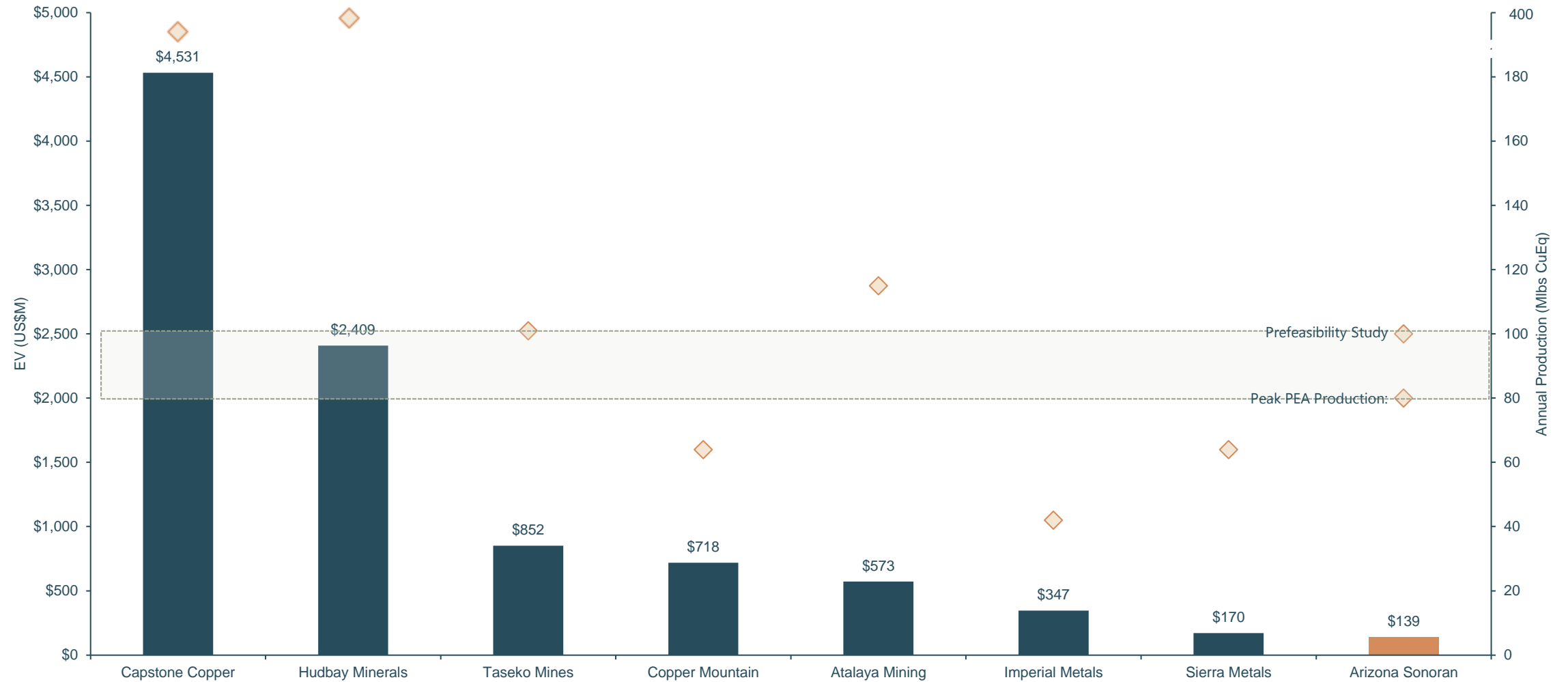
# Current Copper Development Peers (P/NAV) With Anticipated First Production Dates



Source: Analyst Consensus, Company Filings, Capital IQ, April 19, 2023



# Future Copper Producer Peers (Enterprise Value and Production)



Source: Company Filings, Capital IQ – April 19, 2023

(1) Arizona Sonoran production shown as peak production of ~80 Mlbs, an additional data point is shown as the Company's PFS target of +100 Mlbs/50 ktpa of annual copper production

# Key Investment Highlights

A Goal to Provide the US with Locally Sourced Copper



**Brownfield  
Exploration and  
Development  
Project in Tier 1  
Jurisdiction**



**Private  
Landownership =  
State and County  
Led Permitting  
process**



**Proposed Copper  
Heap Leach, SXEW  
Operation<sup>(1)(2)</sup>**



**Building Scalability  
and Growth**



**Experienced  
Leadership Team;  
Strong Supportive  
Sponsors**



**Supportive  
Copper Market  
Fundamentals  
ESG Framework  
in Place, Path to  
Net Zero**





# ARIZONA SONORAN

COPPER COMPANY

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The background features a warm, abstract design with curved, overlapping lines in shades of orange, brown, and gold. The bottom half of the image is a solid dark blue, which serves as a backdrop for the text. On the right side of the blue section, there are faint, concentric circular lines in a lighter blue shade.

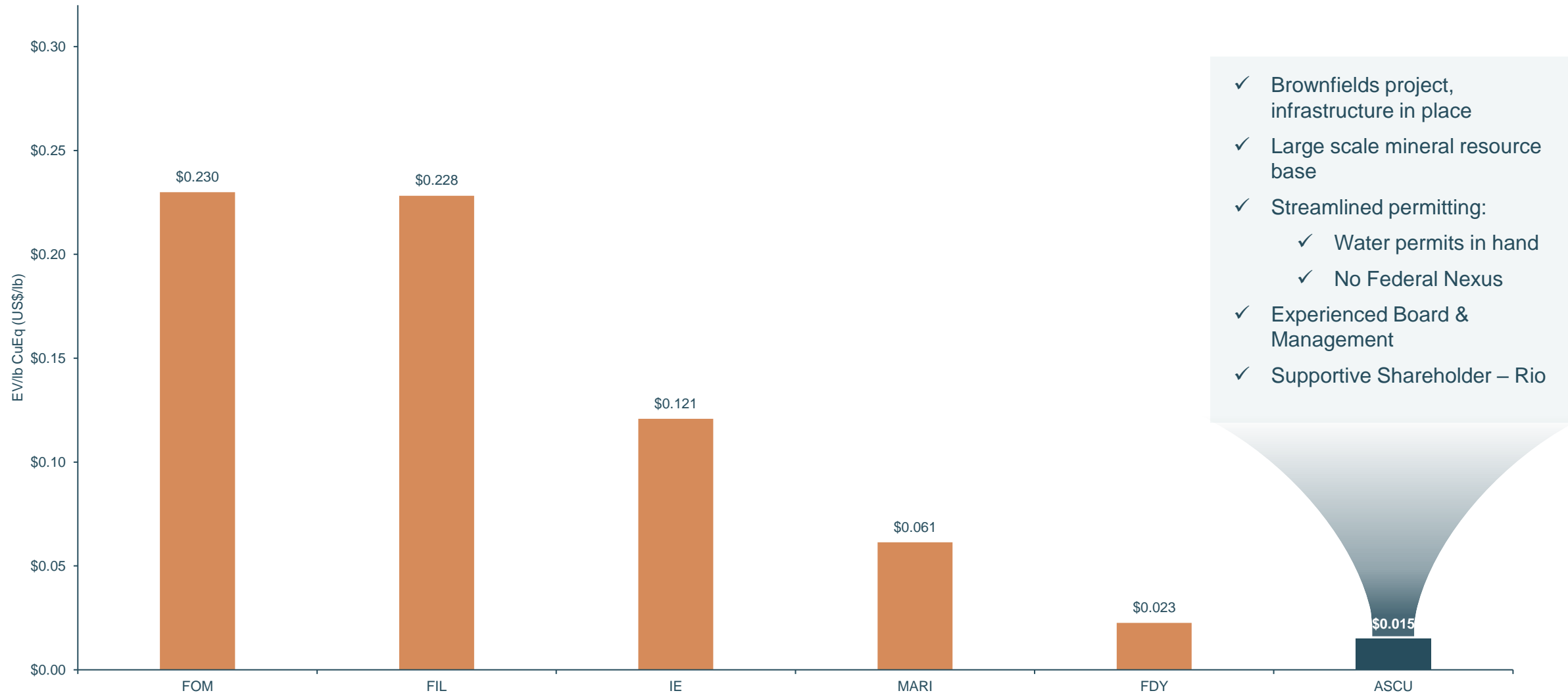
# Appendix



# Value Proposition: Benchmarking to Copper Developers

Low-Risk Copper Developer in Top Tier Jurisdiction

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Source: Company Filings, Capital IQ. April 19, 2023










# Benchmarking ASCU to Copper Developers

Similar future production profile to ASCU with a P/NAV of 0.45x

P/NAV: 1.07x

P/NAV: 0.77x



									
Market Capitalization (C\$M)	\$190	\$1,536	\$198	\$1,184	\$3,006	\$504	\$365	\$2,461	\$568
Asset Name	Cactus / Parks Salyer	Santa Cruz / Tintic	Cu Creek / Contact Cu	McIlvenna Bay	Filo del Sol	Kay	Marimaca	Caraiba	Copper Mountain
Economic Study Level	PEA	Resource	Historic	FS	PFS	Historic	PEA	Production	Production
Development Type (Greenfields or Brownfields)	Brownfields	Greenfields	Greenfields	Brownfields	Greenfields	Brownfields	Greenfields	n/a	n/a
Jurisdiction	Arizona	Arizona / Utah	Arizona	Sask.	Argentina	Arizona	Chile	Brazil	BC
Fraser Institute Policy Perception Index (Rating Out of 100)	85	85 / 91	85	91	77	85	69	48	76
Measured & Indicated Attributable Resource (Mlbs CuEq)	1,611	6,197	4,126	2,096	6,259	-	1,477	2,868	7,296
Inferred Attributable Resource (Mlbs CuEq)	4,894	4,073	673	337	2,545	-	712	1,063	2,599
Mine Life (Years)	18	-	-	18	13	-	12	16	31
Annual Attributable LOM Production (Mlbs CuEq Payable)	56	-	-	65	287	-	79	102 <sup>(1)</sup>	64 <sup>(1)</sup>
LOM C1 Cash Cost (US\$/lb CuEq)	\$1.55	-	-	\$1.79	\$1.54	-	\$1.22	\$1.36 <sup>(1)</sup>	\$3.88 <sup>(1)</sup>
Capital Intensity (US\$/lb CuEq)	\$2.20	-	-	\$4.47	\$7.01	-	\$3.61	n/a	n/a
Headline After-Tax IRR (%)	33%	-	-	22%	20%	-	34%	n/a	n/a
Headline After-Tax NPV (US\$M)	\$312	-	-	\$370	\$1,310	-	\$524	663.7	\$1,245
Economic Study Long-Term Copper Price (US\$/lb Cu)	\$3.35	\$3.70	\$3.80	\$3.50	\$3.65	-	\$3.15	\$3.00	\$3.60

Source: S&P Capital IQ. Company Filings. The Integrated Cactus PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to the them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Data as of April 19, 2023

(1) Figures are 2022 actuals

# Infill to Measured: ECE-076 - Oxide, Chrysocolla and Malachite in Granite

March 20, 2023

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Results Support mine plan

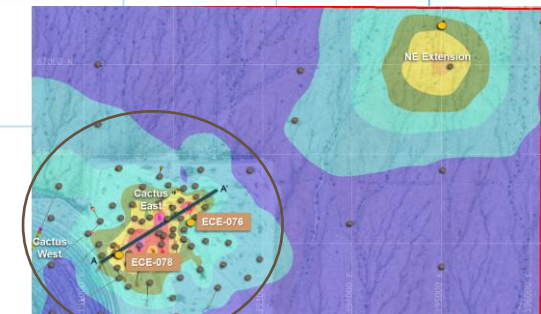
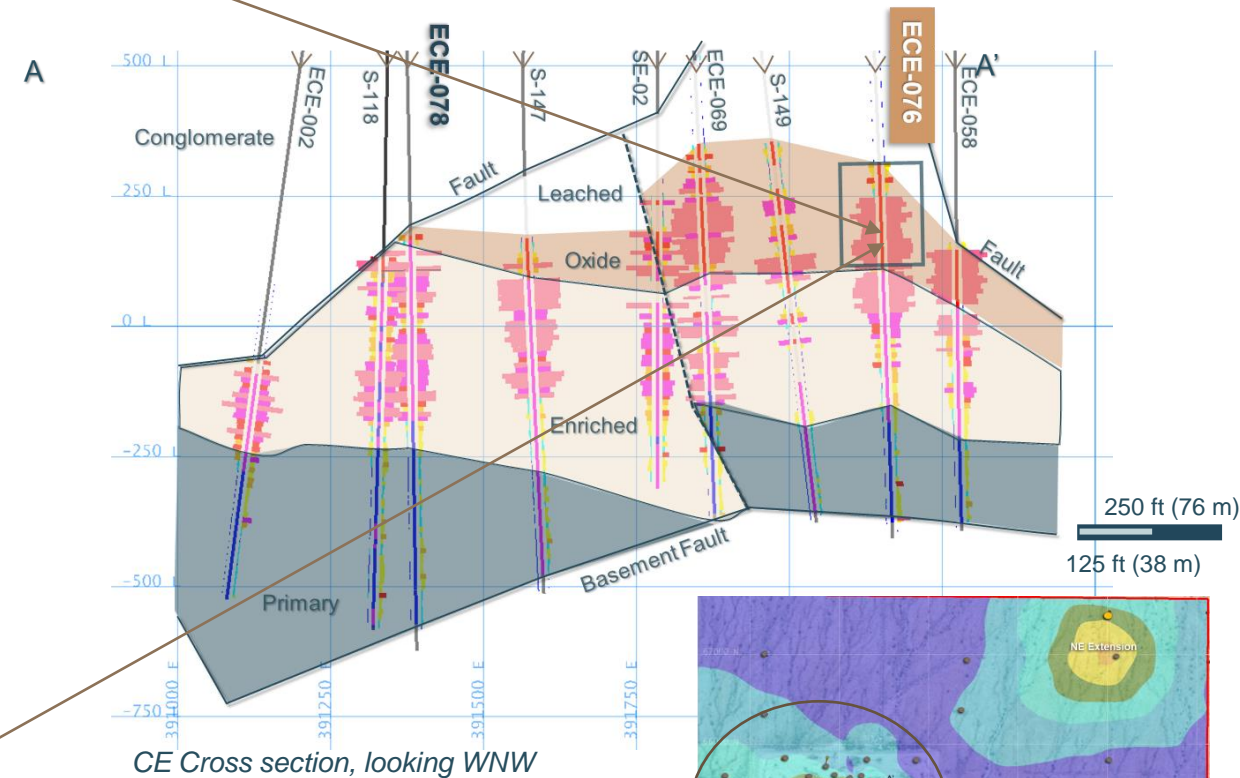
**3.08% CuT | 2.93% Cu TsoI | 0.019% Mo**



**10.0 ft (3.0 m) Interval from 1,362.0 ft – 1,372.0 ft (415.1 m – 418.2 m)**

**High grade interval within a 211 ft (64 m) intersect, at a depth of 1,204 ft (367 m)**

**1.75% CuT | 1.65% Cu TsoI | 0.012% Mo**



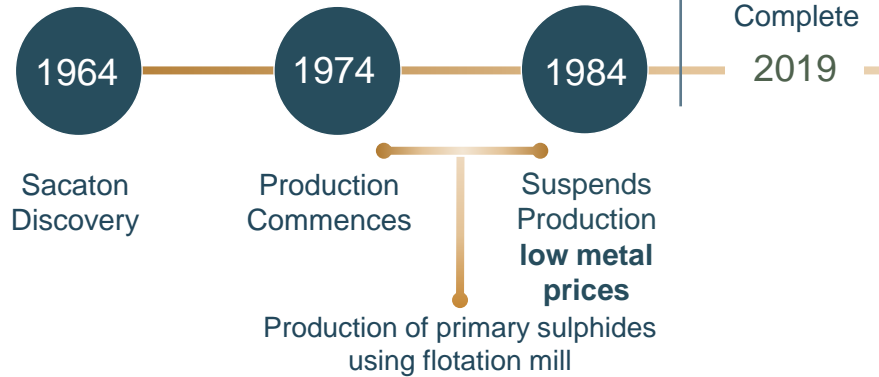
ASCU:TSX | ASCU:OTCQX | ARIZONASONORAN.COM



# The Cactus Mine Project History and Path Forward

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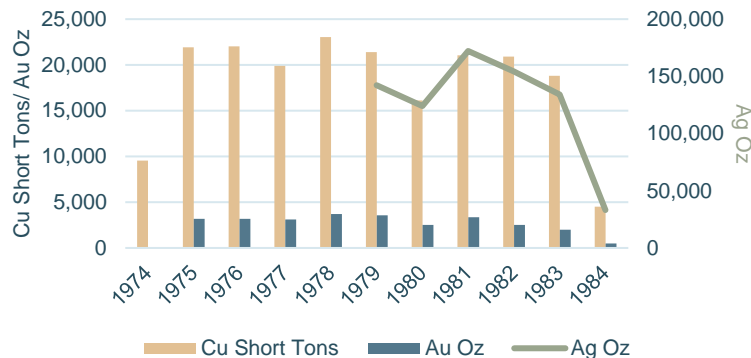
## ASARCO



## ARIZONA SONORAN COPPER COMPANY



## HISTORICAL PRODUCTION (CONCENTRATE)



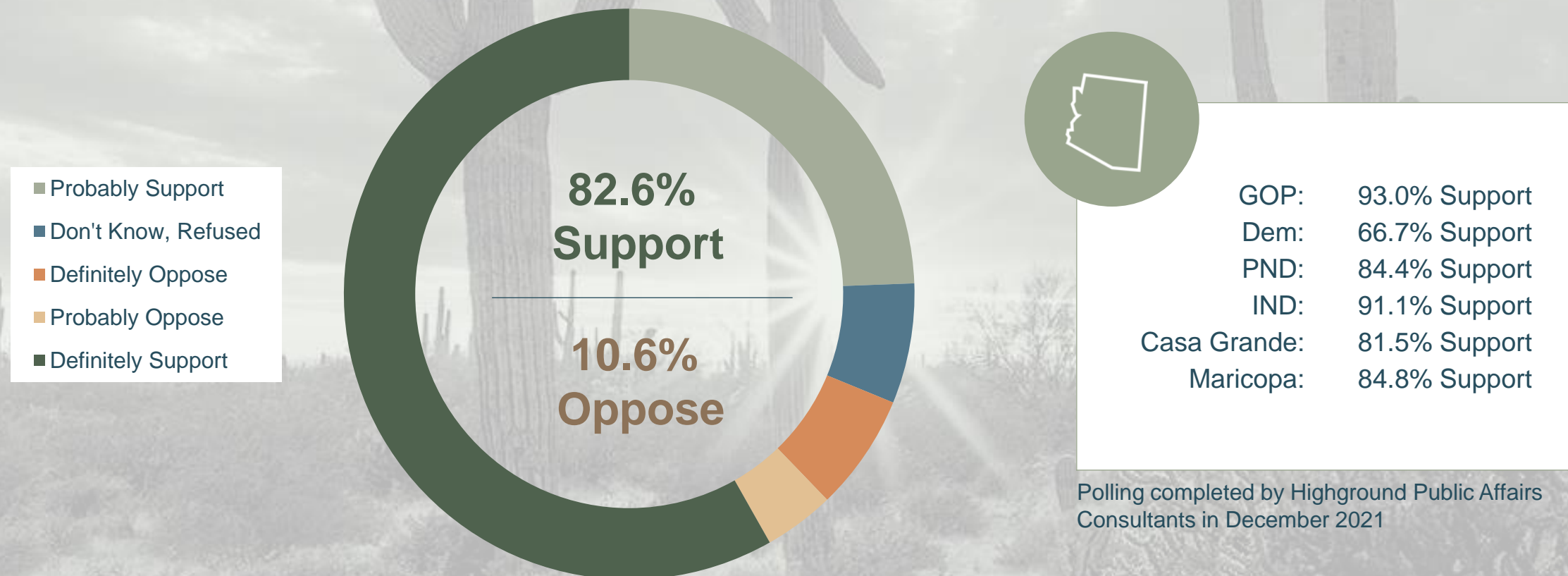
# Our ESG Framework – Setting the Pace for Net Zero Carbon Emissions



- ASCU is actively exploring use of renewable energy for its operations with the goal of becoming a “Net Zero Carbon Emissions” copper producer
- Ability to also reduce carbon footprint by Arizona Public Service’s transition to renewable resources (65% by 2030 and 100% by 2050)

# Local Support for the Cactus Mine

Overwhelming support for the Cactus Mine in Casa Grande – economic survey shows \$8.5 Billion of indirect and direct revenues to the local community.





# Journey Towards Net Zero - Partnership with Minviro

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## PFS / FS

- Design parameters used to scope impact
- GHG inventory assessment (Scope 1, 2 and 3)
- Consideration of impact of diesel fuel, sulfuric acid, carbonate minerals, electricity, cement in operations across Scopes 1 and 2
- 100% renewable energy solutions
- Careful water use and management
- Waste and pollution management – air quality, dust management and tailings management
- Establishing carbon trading and offset policies/trading to the extent required

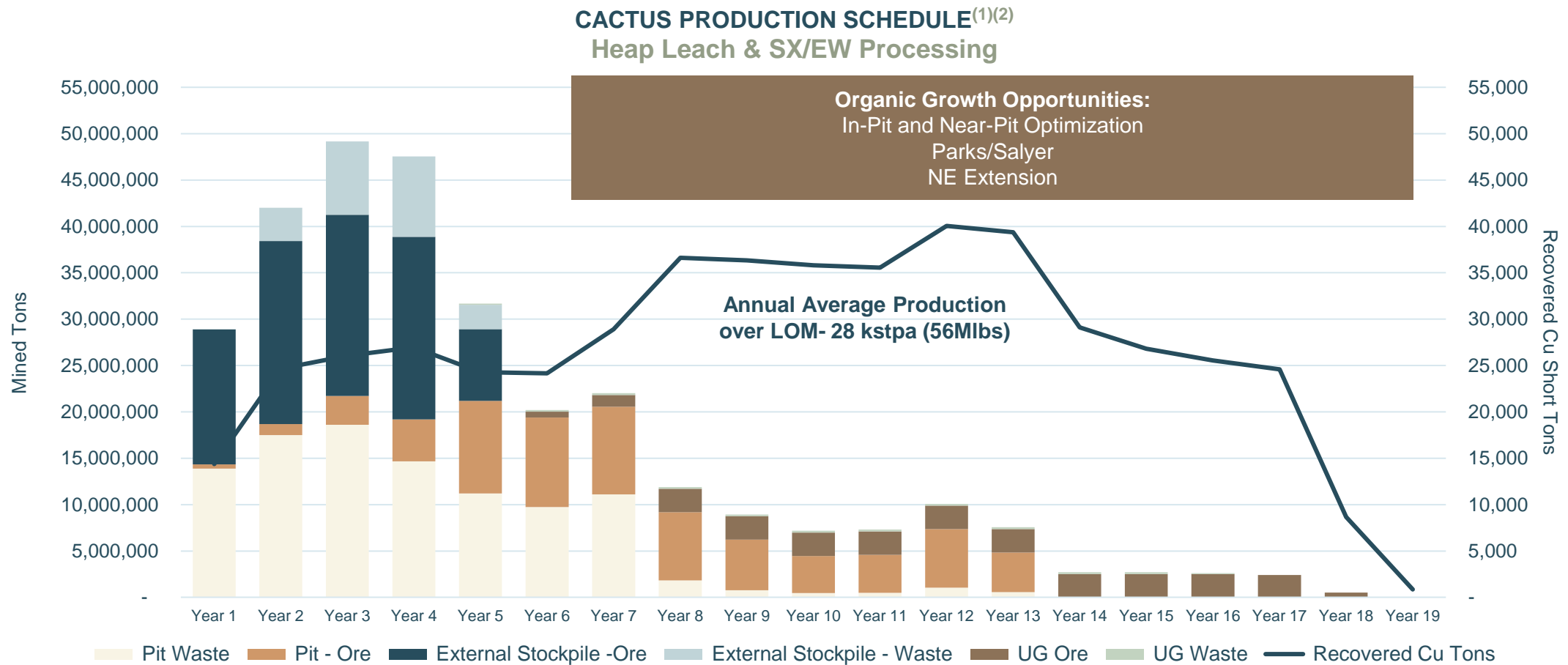
## PRODUCTION AND REPORTING

- Establishing reporting KPIs
- Reporting to international standards (e.g. SASB, TCFD)

## Construction

- Investment in low carbon technologies and minimizing direct impacts (Scope 1 & 2)
- Supply chain management to minimize Scope 3 emissions
- Local procurement and workforce hiring generating positive social impact
- Compliance with global standards (e.g., Equator Principles) to align with debt financing

# Cactus PEA Production Schedule – Opportunity beyond 40 kstpa (80 Mlbs)



**The mining schedule reflects a layered mining plan targeted at early production with low capex, maximising project returns. Initial plant capacity is designed at 22 kstpa with expansion to 35 kstpa concurrent with underground mining in full ramp up by year 7 of the project start-up. Significant organic expansion opportunities exist**

Sources/Notes: (1) Integrated Cactus PEA, Table 16-8 and figure 16-23 (2) The Integrated Cactus PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as mineral reserves and there is no certainty that the preliminary economic assessment will be realized



# Robust Returns from Lowest Capital Intensity vs Peer Group

Between the PEA and the upcoming Prefeasibility study, ASCU is reviewing the following:

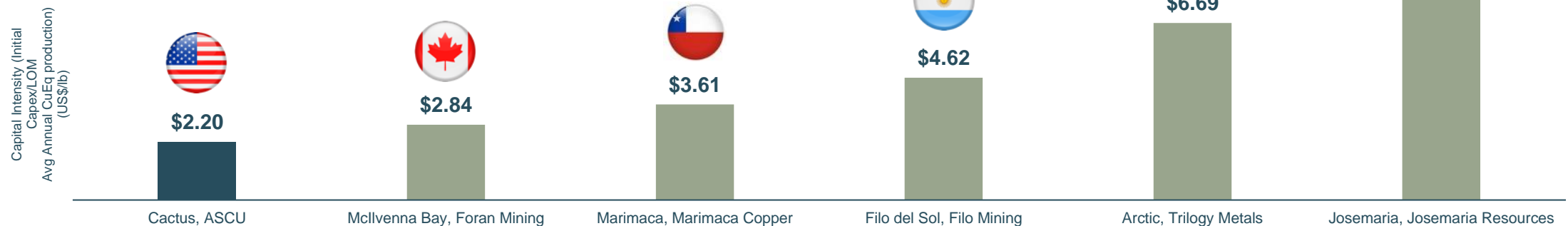
- Mining inventory (potential to include P/S and Primary Material)
- Development plan sequencing
- Metallurgical recoveries
- Operating cost parameters
- Capital cost parameters
- Macro inputs

## PEA CONSTRUCTION CAPEX BREAKDOWN (US\$M)

Direct & Indirect Cost Components	Leach Pads, Ponds & Pipelines	SXEW Facility	Total Capital Cost
Directs Subtotal	\$18.4	\$45.9	\$64.3
Indirects Subtotal	\$3.1	\$19.1	\$22.2
Contingency	\$3.0	\$9.0	\$12.0
Total Process Construction Cost (22 ktpa)(Initial)	\$24.5	\$74.1	\$98.5
Land Acquisitions	--	--	\$22.9
Project Other Costs	--	--	\$2.6
Total Initial Construction Cost	--	--	\$123.9

- Assumes contractor mining
- A contingency of 15% has been included in the capital cost for ancillary mine equipment, leach pad infrastructure and the SXEW facility

## PEER GROUP CAPITAL INTENSITY<sup>(1)(2)</sup>



Sources: (1) Integrated Cactus PEA 2021 for ASCU – Table 21-2, McIlvenna Bay Project, Foran Mining (Pre-feasibility Study for the McIlvenna Bay Project, Report Date: 27 April 2020); Marimaca Project, Marimaca Copper (Preliminary Economic Assessment Marimaca Project Antofagasta, II Region, Chile; Report Date: 4 August 2020); Filo del Sol, Filo Mining (Pre-feasibility Study for the Filo del Sol Project; Report Date: January 13, 2019); Arctic Project, Trilogy Metals (Arctic Feasibility Study Alaska, USA; Report Date: August 20, 2020); and Josemaria Copper-Gold Project, Josemaria Resources (Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina; Report Date: September 28, 2020) (2) The Integrated Cactus PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as mineral reserves and there is no certainty that the preliminary economic assessment will be realised

Material Type	Tons (kt)	CuT %	TSol %	Contained Cu (k lbs)	Contained Cu (k Tons)
INDICATED					
Cactus					
Oxide	31,400		0.559	349,700	176
Enriched	42,500		0.844	715,500	359
<b>Total Leachable</b>	<b>73,900</b>		<b>0.723</b>	<b>1,065,200</b>	<b>534</b>
Primary	77,900	0.35		545,500	273
<b>Total Indicated</b>	<b>151,800</b>	<b>0.531</b>		<b>1,610,700</b>	<b>806</b>
INFERRED					
Cactus					
Oxide	62,500		0.346	430,500	216
Enriched	55,100		0.498	548,800	274
<b>Total Leachable</b>	<b>117,600</b>		<b>0.417</b>	<b>979,300</b>	<b>490</b>
Primary	111,300	0.349		776,000	388
<b>Total Inferred</b>	<b>228,900</b>	<b>0.384</b>		<b>1,755,300</b>	<b>879</b>
Stockpile					
Oxide	77,400		0.144	223,500	111
Parks/Salyer					
Oxide	14,100		0.827	233,700	117
Enriched	101,200		1.1	2,227,200	1,113
<b>Total Leachable</b>	<b>115,400</b>		<b>1.066</b>	<b>2,460,900</b>	<b>1,230</b>
Primary	28,300	0.804		454,400	228
<b>Total Inferred</b>	<b>143,600</b>	<b>1.015</b>		<b>2,915,400</b>	<b>1,458</b>
Total Resources					
INDICATED					
Total Leachable	73,900		0.723	1,065,200	534
<b>Total Indicated</b>	<b>151,800</b>	<b>0.531</b>		<b>1,610,700</b>	<b>806</b>
INFERRED					
Total Leachable	310,400		0.59	3,663,700	1,832
<b>Total Inferred</b>	<b>449,900</b>	<b>0.544</b>		<b>4,894,200</b>	<b>2,447</b>



# Notes to the Mineral Resource Estimate

1. *CuT means total copper and TSol means total soluble copper as the addition of sequential acid soluble and sequential cyanide soluble copper assays. Tons are reported as short tons.*
2. *Cactus and Stockpile Resource estimates have an effective date of 31<sup>st</sup> August, 2021 and use a copper price of US\$3.15/lb. The assumptions in respect of the Cactus and Stockpile Resource estimates are as stated in the Preliminary Economic Assessment ("PEA") titled "Arizona Sonoran Copper Company, Inc. Cactus Project, Arizona, USA Preliminary Economic Assessment" with an effective date of filed in August 31, 2021; Parks/Salyer Resource estimate has an effective date of 7<sup>th</sup> September, 2022 and uses a copper price of US\$3.75/lb*
3. *Technical and economic parameters defining resource pit shell: mining cost US\$2.45/t; G&A US\$0.55/t, and 44°-46° pit slope angle.*
4. *Technical and economic parameters defining underground resource: mining cost US\$28.93/t, and G&A representing 7% of direct costs.*
5. *Technical and economic parameters defining processing: Heap leach (HL) processing cost including selling US\$1.77/t; HL recovery 83% of CuT; mill processing cost US\$8.50/t.*
6. *For Cactus: Variable cutoff grades were reported depending on material type, potential mining method, and potential processing method. Oxide material within resource pit shell = 0.096% TSol; enriched material within resource pit shell = 0.098% TSol; primary material within resource pit shell = 0.205% CuT; oxide underground material outside resource pit shell = 0.56% TSol; enriched underground material outside resource pit shell = 0.70% TSol; primary underground material outside resource pit shell = 0.70% CuT.*
7. *For Parks/Salyer: Variable cutoff grades were reported depending on material type associated potential processing method. Oxide underground material = 0.495% TSol; enriched underground material = 0.60% TSol; primary underground material = 0.586% CuT.*
8. *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.*
9. *The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there is insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource; it is uncertain if further exploration will result in upgrading them to an indicated or measured classification.*
10. *Total may not add up due to rounding.*

# Rediscovering the World-Class Santa Cruz Copper Porphyry System

Santa Cruz porphyry copper system extends northeast over P/S and beyond the Cactus Mine Project.

ASCU – active drilling (3 rigs) - IE – active drilling (6 rigs)

## Ivanhoe Electric Mineral Resource Estimate

Source : Ivanhoe Electric Technical Report

- Indic - 226 Mt of 1.24% CuT, 0.82% Cu TSol
- Inf – 149 Mt of 1.24% CuT, 0.82% CuTSol
- (0.39% cut-off - \$3.70/lb Cu)

