



ASCU:TSX
ASCUF:OTCQX

Strategic Transaction with Nuton to Pursue Environmentally Friendly Copper in the USA

Invest in Sustainability | December 2023

nuton
A Rio Tinto venture

ARIZONA SONORAN
COPPER COMPANY

This presentation (“Presentation”) is being furnished 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. 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, ALS Geo Resources. The scientific and technical information in this Presentation in respect of metallurgy was prepared under the supervision of Jim Sorensen of Samuel Engineering. Each of Mr. Allan Schappert and Mr. Jim Sorensen 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.

Creates a Straightforward Mechanism for Significant Project Funding

US\$33 Million in Near-Term, Non-Dilutive Financing

Secures Commitment from Nuton to Support Project Financing and Debt Financing

Minimizes ASCU's Share of Future Equity Contributions

Holds Potential to Significantly Improve Per Share Returns to ASCU Shareholders



Reduction of Execution Risks via JV Partnership Framework with Global Mining and Innovation Leader

Potential to Significantly Increase Attributable Per Share Copper Production

Preserves Long-Term Optionality for ASCU and Outlines Clear Path Towards Green Copper Production in the USA, with a Focus on Nuton's Positive Impact Pillars

Defines Near-Term Project Advancement Strategy to Deliver Integrated Nuton PFS



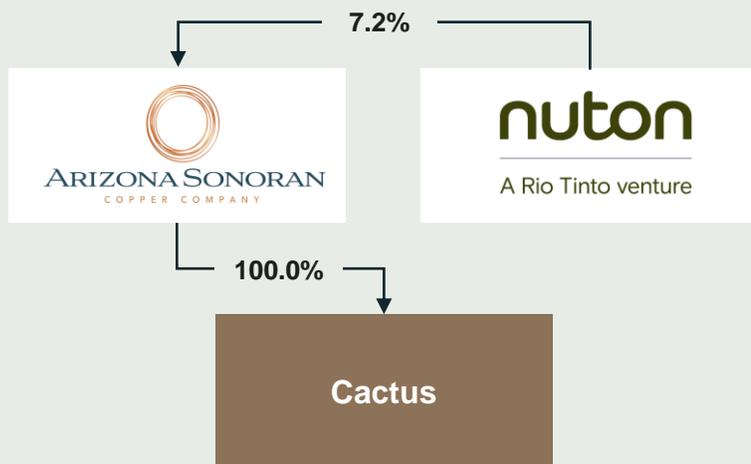
Mutually Beneficial Transaction

Transaction	<ul style="list-style-type: none">Nuton granted option to acquire up to a 40% joint venture interest in the Cactus Parks / Salyer Project based on certain trigger events (described below)
Consideration	<ul style="list-style-type: none">US\$10M option payment upon closingUS\$12M to fund Nuton work program for an Integrated Nuton Case PFSUp to US\$11M option exercise pre-payment to fund land acquisition costs, repayable in the form of a convertible note if the option is not exercised
Technical Studies	<ul style="list-style-type: none">ASCU to prepare a standalone pre-feasibility study on the Cactus Parks / Salyer Project (the “Standalone PFS”), subject to a potential update which incorporates the Mainspring Property (the “Mainspring PFS”)ASCU and Nuton to prepare an integrated pre-feasibility study incorporating the use of Nuton’s technologies by December 31, 2024 (the “Nuton PFS”)⁽¹⁾
Option Exercise Trigger Events	<ul style="list-style-type: none">The NPV of the Nuton PFS must be at least 1.39 times the NPV of the Standalone PFS, or 1.2 times the NPV of the Mainspring PFSASCU’s equity contribution to project capital costs under the Nuton PFS shall remain equal to or less than its equity contribution to project capital costs under the Standalone PFS (assuming 50% of the Standalone PFS capital costs are financed with debt)
Option Exercise Payment	<ul style="list-style-type: none">Upon exercise, Nuton shall make a payment to ASCU equal to the product of: (i) applicable PFS NPV, (ii) Nuton ownership interest and (iii) 0.65<ul style="list-style-type: none">If the Nuton PFS NPV is 1.39x-1.49x or >1.50x the Standalone PFS NPV, Nuton’s ownership shall be 37.5% or 40%, respectivelyIf the Nuton PFS NPV including Mainspring is 1.2-1.29x, 1.3-1.39x, or >1.4x the Mainspring PFS NPV, Nuton’s ownership shall be 35%, 37.5%, or 40%, respectively
Project Financing, Other Terms	<ul style="list-style-type: none">Parties to work together towards project funding strategy including a performance and/or completion guarantee from Nuton or Rio Tinto with respect to ASCU’s share of project debt, subject to Rio Tinto’s approvalASCU and Nuton to establish joint Steering Committee to undertake Nuton testwork and the Nuton PFSNuton to nominate one member to ASCU’s Technical Committee and maintain its observer rights

(1) Economic inputs used for comparison of the NPV between the Nuton PFS and the Standalone PFS will be on a like-for-like basis

Illustrative Option Exercise – Ownership Scenarios

Current Ownership Structure



MAY 16, 2022

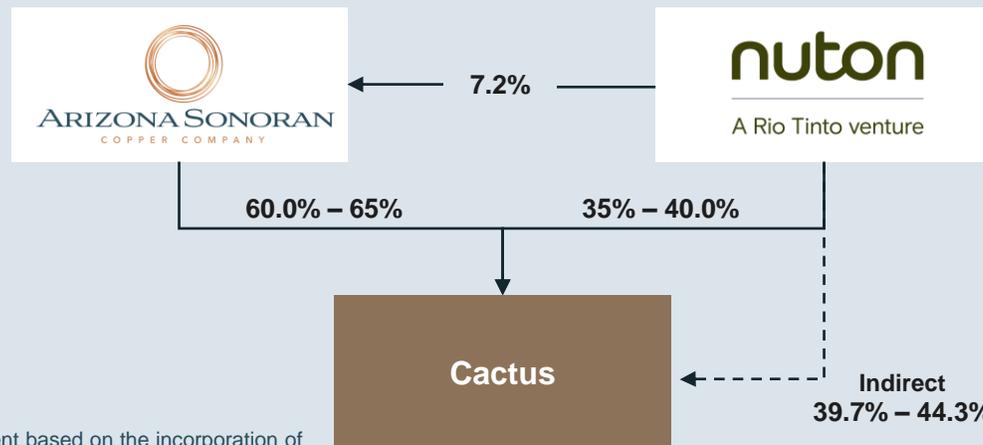
Rio Tinto / Nuton invested ~C\$12.8M in Arizona Sonoran

APRIL 4, 2023

Rio Tinto / Nuton invested ~C\$2.8M in Arizona Sonoran to maintain its 7.2% ownership

Potential Future Ownership Scenarios⁽¹⁾

+1.20-1.39x Minimum Increase in NPV



(1) Subject to adjustment based on the incorporation of ASCU's Mainspring property into an updated PFS



- Close option to joint venture agreement with Nuton

- Commence work program with Nuton
- Standalone PFS on Cactus Parks / Salyer and Mainspring
- Anticipated completion of Integrated Nuton PFS

- Potential exercise of option by Nuton

- Completion of Nuton BFS and final investment decision
- Commence construction
- First production of copper cathodes

Nuton™ Overview

About Nuton™

- Rio Tinto’s innovative ventures to grow the copper business
- Nuton is focused on commercializing its proprietary suite of copper leach technologies
- Potential to unlock copper units from hard-to-leach ore and low-grade material, with industry-leading recoveries
- Commitment to delivering the lowest footprint copper and enabling Positive Impacts

Other Existing Copper Partnerships



Johnson Mine Camp
Arizona



Yerington Nevada



Los Azules Argentina



Nuton-ASCU Partnership & Copper Extraction Column Data

Sulphide Leach Tests

- Life of mine optimized target of 80% sulphide extraction
- Excellent results from unoptimized preliminary leach conditions

Mineral Resource Location	Extraction (%)	Net Acid Consumption (kg/t)
Enriched (Secondary Sulphide)		
Cactus West	86%–98%	-5 – 15
Cactus East	86%–98%	-5 – 15
Parks Salyer	80%	-5 – 15
Primary Sulphides		
Leaching	80%–85%	10 – 45
Blended (Primary and Secondary Sulphide)		
Leaching	86%–95%	25 – 40

Upside

- Primary sulphides comprise 25% of the total mineral resource
- Phase II program to expand on Phase I proof of concept and provide more rigorous testing scenarios

Improved Economics

- Targeted doubling of throughput from proposed run-rate
- Nuton Integrated PFS anticipated to improve project NPV by a minimum of 20% to 40%
- Greater scale, lower costs and optimized mine design to materially enhance project economics

¹ As reported on February 23, 2022, Arizona Sonoran Updates on Metallurgical improvements at the Cactus Mine Project, acid consumption converted to kg/tonne from lbs/ton for comparison purposes

² Initial flotation results from 2022 testing program

³ Excludes ASC 6 (ECW-011) that has anomalous high Biotite content (See Phase 2 workplan)

⁴ Excludes column ASC 6 (ECW-011) that has anomalous high Biotite content and low temperature (See Phase 2 workplan)

⁵ Net acid consumption is either nil or net generating

Significant Benefits of Environmentally Friendly Copper Production

ASCU is committed to mining sustainably by revitalizing a previously abandoned site, contributing to local economic development, and powering a renewable energy future



RESPONSIBLE OPERATIONS

We operate in an environmentally responsible manner, investing in low carbon and water efficient technologies

- Revitalizing a brownfield site
- Reduce carbon footprint
- Proactive air quality management
- Careful and efficient water stewardship
- Zero discharge operation
- Concurrent reclamation
- Habitat restoration
- Waste management
- Plan for responsible closure

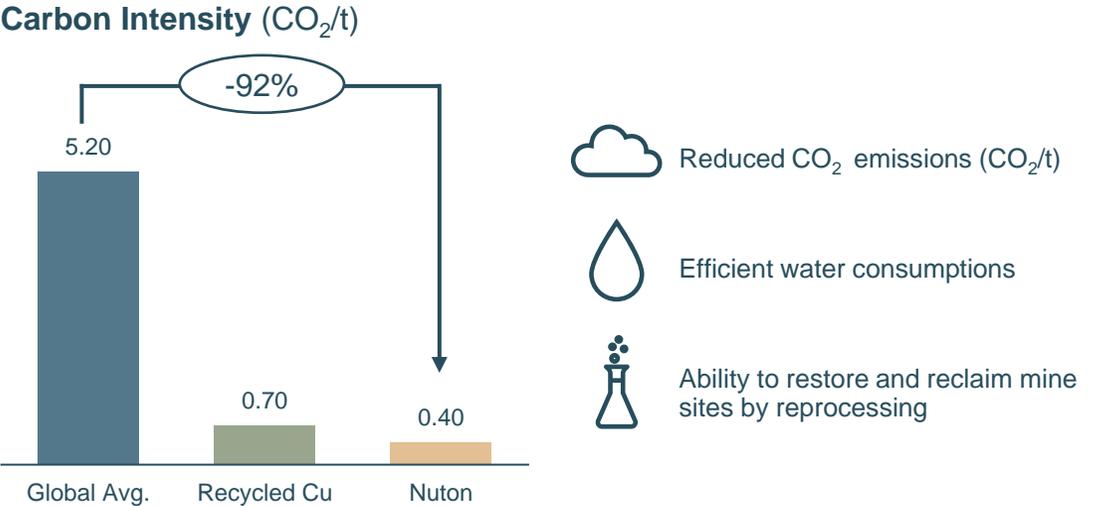


RENEWABLE ENERGY FUTURE

We will produce LME grade copper, a critical component in powering the renewable energy and electric vehicle sector in the US

- Copper in renewable energy
- Copper in the electric vehicle sector
- Growing copper needs in the US

Nuton Technology is an Enabler for Low Carbon Copper⁽¹⁾



ASCU is actively working towards the goal of being 'carbon neutral' at Cactus by 2035, or within the first 10 years of production

(1) Rio Tinto 2022 Full Year Results Presentation

Nuton Positive Impact Pillars and General Benefits



Water Positive

Replenishing or restoring more water, at least of the same quality, than the water withdrawn or consumed in Nuton's process.



Energy Positive

Supporting the generation of more renewable energy than Nuton consumes in its process.



Land Positive

Regenerating or repurposing more land, at a greater quality, than the land used during Nuton's process.



Materials Positive

Valorizing resources otherwise deemed waste or a liability in larger volumes than the residues produced through Nuton's process.



Society Positive

Working with local host communities to fulfil self-defined goals to a greater extent than before Nuton's deployment.

PER UNIT OF
COPPER

Less water

Lower power consumption

Less land

Less waste

Lower carbon emissions

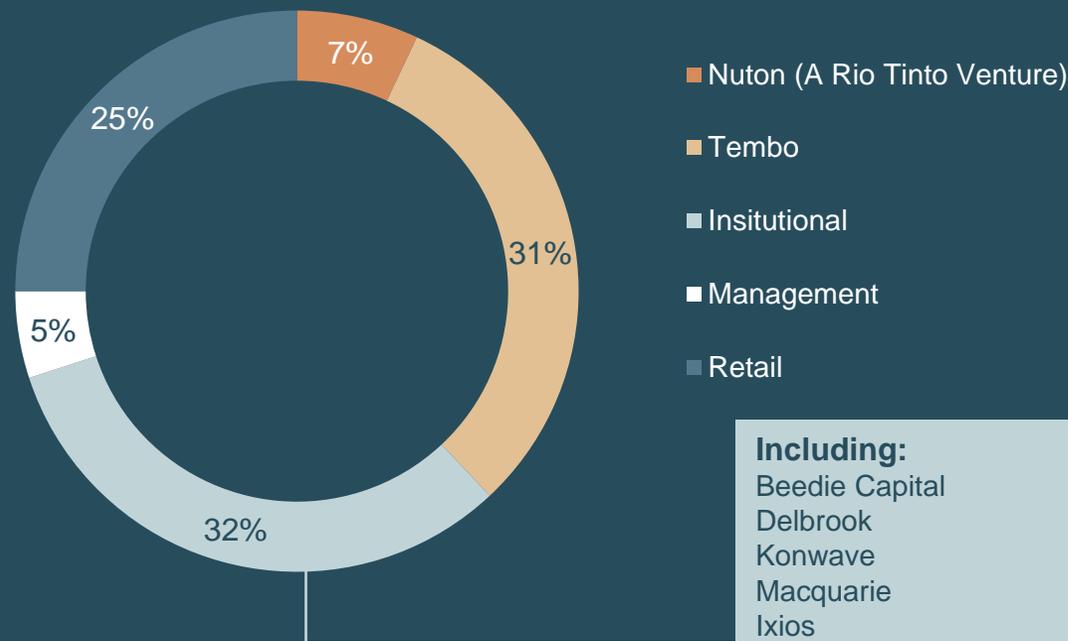
Capital Structure & Ownership

CAPITAL STRUCTURE

Market Capitalization	C\$160M
Shares Outstanding (M)	109.0
Warrants (M)	2.5
Options (M)	5.6
RSU's (M) ⁽¹⁾	0.2
DSU's (M)	0.5
Fully Diluted Share Capital (M)	117.9
Cash as at Sept 30, 2023	US\$12M
Debt	Debt Free

Notes:
 (1) RSUs may be issued in shares or cash

OWNERSHIP



- Including:**
- Beedie Capital
 - Delbrook
 - Konwave
 - Macquarie
 - Ixios
 - Bastion Asset Management
 - US Global
 - Russell Investment Mgmt
 - Palos Management
 - Empire Life
 - Sentry
 - TBF Global AM
 - Sprott COPJ ETF

ANALYST COVERAGE





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