

ARIZONA SONORAN COPPER COMPANY INC.

COMPENSATION COMMITTEE CHARTER

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

1. PURPOSE

The Compensation Committee (the “**Committee**”) of Arizona Sonoran Copper Company Inc. (the “**Company**”) shall have responsibility for the oversight and establishing the compensation of the Company’s executive officers, including the Company’s Chief Executive Officer (the “**CEO**”), and the Board of Directors of the Company (the “**Board**”). The Committee shall also be responsible for oversight of and establishment of frameworks for incentive compensation, equity-based and pension plans as further provided in this Charter.

2. COMPOSITION

2.1 Members

The Committee shall consist of three but no more than five directors. The Board shall appoint the members of the Committee on the recommendation of the Governance and Nominating Committee 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. The Board may modify the membership of, remove or fill vacancies in the Committee at any time.

2.2 Qualifications

Each member of the Committee shall be an independent director of the Company within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and satisfy the experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

2.3 Chair

Unless a Chair is appointed by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

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 its powers so long as a quorum remains.

3. MEETINGS AND PROCEDURES

3.1 Meetings

The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least three (3) times per year.

3.2 Independent Meetings

The Committee 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 of the Committee.

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 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.

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. ROLE AND RESPONSIBILITIES OF THE CHAIR

4.1 The Chair should:

- 4.1.1 provide leadership to the Committee and oversee the functioning of the Committee;
- 4.1.2 chair meetings of the Committee and make periodic reports to the Board as requested on compensation and incentive matters relating to the Company;
- 4.1.3 ensure that the Committee meets at least three times per year, and otherwise as is considered advisable;
- 4.1.4 in consultation with the Chair of the Board, the Lead Director of the Board (the "**Lead Director**"), if any, and the members of the Committee, establish dates for holding meetings of the Committee;
- 4.1.5 set the agenda for each meeting of the Committee with input from other members of the Committee, the Chair of the Board, the Lead Director, if any, and any other appropriate individuals;
- 4.1.6 ensure that Committee materials are available to any director upon request;
- 4.1.7 act as a liaison, and maintain communication, with the Chair of the Board, the Lead Director, if any, and the Board to co-ordinate input from the Board and to optimize the effectiveness of the Committee;
- 4.1.8 report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole;
- 4.1.9 ensure that the members of the Committee understand and discharge their duties and obligations;

- 4.1.10 foster ethical and responsible decision making by the Committee and its individual members;
- 4.1.11 together with Governance and Nominating Committee, oversee the structure, composition, membership, and activities delegated to the Committee from time to time;
- 4.1.12 ensure appropriate information is requested from the officers of the Company and is provided to the Committee to enable it to function effectively and comply with this mandate;
- 4.1.13 ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently, and pre-approve work to be done for the Committee by consultants;
- 4.1.14 attend, or arrange for another member of the Committee to attend, each meeting of the shareholders of the Company to respond to any questions from shareholders which may be asked of the Committee;
- 4.1.15 perform such other duties as may be delegated to the Chair by the Committee or the Board from time to time;
- 4.1.16 facilitate effective communication between members of the Committee, management, and the Board; and
- 4.1.17 ensure that Committee materials are available to any director upon request.

5. DUTIES, POWERS & RESPONSIBILITIES

- 5.1** The duties, powers and responsibilities of the Committee shall be as follows:
 - 5.1.1 Review and make recommendations to the Board with respect to the executive compensation philosophy, policies and programs that in the Committee's judgment support the Company's overall business strategy and review and discuss, at least annually, the material risks associated with executive compensation structure, policies and programs to determine whether such structure, policies and programs encourage excessive risk-taking and to evaluate compensation policies and practices that could mitigate any such risk.
 - 5.1.2 On an annual basis, review and approve corporate goals and objectives relevant to the compensation of the Company's CEO, evaluate the CEO's performance in light of those goals and objectives and determine and approve CEO compensation based on this evaluation. In evaluating, determining and approving the long-term incentive component of CEO compensation, the Committee may consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to executive officers at comparable companies, the value of similar awards given to other executive officers of

the Company and the awards given to the executive officer in past years. The CEO shall not be present during voting or deliberations relating to his or her compensation.

- 5.1.3 On an annual basis, review and approve the compensation of the Company's other executive officers, evaluate the executive officers' performance in light of those goals and objectives and determine and make recommendations to the Board with respect to executive officer compensation based on this evaluation. In evaluating and making recommendations with respect to the long-term incentive component of executive officer compensation, the Committee may consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to executive officers at comparable companies, the value of similar awards given to other executive officers of the Company and the awards given to the executive officer in past years. No executive officer may be present during voting or deliberations relating to his or her compensation.
- 5.1.4 Review and make recommendations to the Board with respect to the Company's incentive compensation, equity-based and pension plans, if any. With respect to each such plan, the Committee shall have responsibility for:
 - (a) implementing and administering the plan;
 - (b) setting performance targets under all annual bonus and long-term incentive compensation plans as appropriate and committing to writing any and all performance targets for executive officers who may be "covered employees" under applicable laws and regulations;
 - (c) if called for by the plan, certifying that any and all performance targets used for any performance-based equity compensation plans have been met before payment of any executive bonus or compensation or exercise of any executive award granted under any such plans;
 - (d) approving all amendments to, and terminations of, all compensation plans and any awards under such plans;
 - (e) granting any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to executive officers or current employees with the potential to become the CEO or an executive officer, including stock options and other equity rights (e.g., restricted stock and stock purchase rights);

- (f) approving which executive officers are entitled to awards under the Company's stock option plans; and
- (g) approving repurchases of securities from terminated employees.

In reviewing the Company's incentive compensation, equity-based and pension plans, the Committee may consider the plan's administrative costs, current plan features relative to any proposed new features and the performance of the plan's internal and external administrators if any duties have been delegated.

- 5.1.5 Review and recommend to the Board for approval any employment agreement or compensatory transaction with an executive officer of the Company involving compensation.
- 5.1.6 Establish and periodically review policies concerning perquisite benefits and approve all special perquisites, special cash payments and other special compensation and benefits arrangements for officers and employees of the Company.
- 5.1.7 Determine and recommend to the Board for approval the Company's policy with respect to change-of-control or "parachute" payments. In reviewing the Company's policy with respect to change of control or "parachute" payments, the Committee may consider, among such other factors as it may deem relevant, the results of the most recent Say-on-Pay Vote on "parachute" payments, if any.
- 5.1.8 Review and make recommendations to the Board with respect to executive officer and director indemnification and insurance matters.
- 5.1.9 Review and recommend to the Board for approval the compensation of directors for their service to the Board. Review, evaluate and recommend changes, if appropriate, to the remuneration of directors.
- 5.1.10 Approve compensation awards, including individual awards, as may be required to comply with applicable tax and state corporate laws.
- 5.1.11 Review the Company's compensation disclosures in its annual management information circular and assist management in complying with management information circular requirements. Review and discuss the Company's Compensation Discussion and Analysis ("**CD&A**") with management and based on such review and discussion, determine whether to recommend to the Board that such compensation disclosures and CD&A be disclosed in the Company's management information circular filed with as applicable.
- 5.1.12 Prepare any report required by applicable rules and regulations or listing standards, including the report required by the regulators to be included in the Company's annual management information circular.

- 5.1.13 Review and assess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
- 5.1.14 Determine Board Compensation in light of Company goals and objectives and determine and make recommendations to the Board with respect to its own performance and recommend Board compensation based on these results.
- 5.1.15 Report regularly to the Board.
- 5.1.16 Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

6. RESOURCES

The Committee shall have the authority to retain or terminate, at its sole discretion, compensation consultants, independent legal counsel or other advisors (collectively, "**Advisors**") to assist the Committee in its responsibilities and shall be directly responsible for the appointment, compensation and oversight of the work of such Advisors.

- 6.1 The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration all relevant factors, including the following:
 - 6.1.1 The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 - 6.1.2 The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
 - 6.1.3 The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
 - 6.1.4 Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
 - 6.1.5 Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
 - 6.1.6 Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Chair of the Committee, at the request of any member of the Committee, may request that any officer, employee or advisor of the Company attend a meeting of the Committee or otherwise respond to Committee requests.

7. AUTHORITY

The Committee has the power to delegate its authority and duties to a subcommittee or individual members of the Committee, as it deems appropriate, provided that the subcommittee is comprised entirely of "independent" directors.