

## ARIZONA SONORAN COPPER COMPANY INC.

### WHISTLEBLOWER POLICY

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

#### 1. PURPOSE

Arizona Sonoran Copper Company Inc. (the "**Company**") and its subsidiaries require its directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities (the "**standards of conduct**"). As employees and representatives of the Company, or any of its subsidiaries, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. This whistleblower policy (the "**Policy**") aims to provide an avenue to handle complaints, reports or concerns of any directors, officers, managers and employees of the Company and its subsidiaries ("**ASCU Personnel**") regarding corporate conduct, with the reassurance that they will be protected from reprisals or victimization for "whistleblowing" in good faith.

#### 2. REPORTING RESPONSIBILITY

It is the responsibility of all ASCU Personnel to comply with the Company's standards of conduct and to report to supervisors, managers or other appropriate personnel about concerns they may have in respect of illegal or unethical behavior and when in doubt about the best course of action in a particular situation.

#### 3. UNETHICAL ACTIVITY

ASCU Personnel have an ongoing responsibility to report any activity or suspected activity of which he or she may have knowledge, that might be prohibited by the Code of Business Conduct and Ethics of the Company ("**Code**"), or which might otherwise be considered relevant to preserving the reputation of the Company.

Although this Policy requires the reporting of any unethical activity, the following items are included for further clarity:

- 3.1 any concern that a director, officer or employee has committed an actual, potential or apparent violation of this Policy, the Code, the Company's Foreign Corrupt Practices Policy, the Company's Audit Committee Charter or any applicable law ("**Legal Allegation**");
- 3.2 any complaint or good faith concerns regarding accounting, internal controls, disclosure controls or auditing matters ("**Accounting Allegation**"), including
  - 3.2.1 fraud or deliberate error in the preparation, evaluation, review or audit of any financial statements of the Company;
  - 3.2.2 fraud or deliberate error in the recording or maintaining of financial records of the Company and its subsidiaries;

- 3.2.3 deficiencies in, or non-compliance with, the Company's and its subsidiaries' system of internal controls;
  - 3.2.4 misrepresentations or false statements to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company and its subsidiaries; and
  - 3.2.5 deviations from full and fair reporting of the Company's and its subsidiaries' financial condition; and
- 3.3** any other suspected wrongdoing, including retaliation against employees of the Company who make Accounting Allegations or Legal Allegations.

It is the responsibility of ASCU Personnel to report these activities in accordance with this Policy whenever he or she has reasonable and genuine grounds to believe that an incident has occurred, is occurring or is likely to occur.

#### **4. NO RETALIATION**

This Policy is intended to encourage and enable ASCU Personnel to raise serious concerns within the Company's structure, rather than seeking resolution outside the Company. Accordingly, it is the policy of the Company and its subsidiaries that no ASCU Personnel who in good faith reports a violation of our standards of conduct shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. However, malicious complaints or complaints known to be false may result in disciplinary action being taken against the complainant, up to and including termination of employment in accordance with applicable law, as it will be considered as a specific lack of probity and honesty, disobedience and/or harassment.

The Company and its subsidiaries will not discharge, demote, suspend, discipline, threaten, harass or in any manner discriminate against any ASCU Personnel in the terms and conditions of employment based upon any lawful actions with respect to good faith reporting of complaints as contemplated in these procedures. The Company will abide by all laws that prohibit retaliation against employees who lawfully submit complaints under these procedures.

#### **5. REPORTING VIOLATIONS**

We ask that ASCU Personnel share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an ASCU Personnel's supervisor is in the best position to address an area of concern. However, if an ASCU Personnel is not comfortable speaking with its supervisor or is not satisfied with its supervisor's response, ASCU Personnel are encouraged to speak with someone else in management that he or she is comfortable to approach. Supervisors and managers are required to report suspected violations of our standards of conduct to the audit committee of the Board ("**Audit Committee**"), which has specific and exclusive responsibility to investigate all reported violations.

For suspected fraud or securities law violations, or when an ASCU Personnel is not satisfied or is uncomfortable with following the Company's open-door policy, that ASCU Personnel should contact the Company's Audit Committee directly.

## 6. AUDIT COMMITTEE

The Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning violations of the standards of conduct and, at their discretion, shall advise the Chief Executive Officer (“**CEO**”) and/or the Chief Financial Officer (“**CFO**”) of the Company. During each financial quarter, the chair of the Audit Committee (“**Chair**”) will report, at least annually, to the Audit Committee and to the external independent auditor of the Company, the aggregate number, the nature, the status and the outcome of the complaints received and investigated under this Policy, including any conclusions reached by any investigator and any findings and recommendations.

The Chair will maintain a log of all complaints that are received, tracking their receipt, investigation and resolution. In addition, the Chair shall promptly report to the Audit Committee and the Board any complaint that may have material consequences for the Company. The Audit Committee shall retain as part of its records any such complaints, concerns and reports for a period of no less than seven (7) years.

## 7. CONFIDENTIALITY AND COMPLAINT PROCEDURES

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Concerns about any matter within the scope of this Policy may be reported in the following manner:

- 7.1 Directly to the Chair on a confidential basis by email [whistleblower@ascumining.com](mailto:whistleblower@ascumining.com); or
- 7.2 Concerns or complaints may be set forth in writing and forwarded in a sealed envelope marked "confidential" to the Chair of the Audit Committee of the Company at Arizona Sonoran Copper Company Inc., 850 West Elliot Rd, Suite 106, Tempe, Arizona 85284, Attention: Chair of the Audit Committee. The envelope should be clearly labeled: **STRICTLY CONFIDENTIAL: To be opened by the addressee only.**

If a person submitting a concern or complaint would like to discuss the matter with the recipient of the concern or complaint, he or she should indicate this in the submission and include a telephone number or email address at which he or she may be contacted. It is acceptable for reported concerns or complaints to include only an outline of the facts relevant to the matter being reported: while complete details are not required in an initial report, reports should be factual in nature and contain as much specific information as possible to allow for proper assessment and investigation of the allegations reported.

## **8. HANDLING OF REPORTED VIOLATIONS**

Confidentiality of complaints received by the Chair will be maintained to the fullest extent possible, consistent with the need to conduct an appropriate review and investigation. When possible, the Chair will notify the sender and acknowledge receipt of the reported violation or suspected violation within 15 business days, although it is not the intention to communicate to the person making the complaint the status of its review or resolution. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. ASCU Personnel are obligated to cooperate in any investigation conducted in connection with this Policy.

Upon receipt of a complaint, the Chair will determine whether the complaint relates to an Accounting Allegation. Any complaints that do so relate will be immediately brought to the attention, and reviewed under the direction, of the Audit Committee. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

If the Chair determines that the complaint is covered by this Policy, but does not relate to an Accounting Allegation, the Chair will undertake an investigation of the violation or suspected violation. In conducting the investigation, the Chair may engage, at the Company's expense, internal or external legal, accounting, human resources or other advisors as the Chair considers advisable. The Chair shall have access to all books and records of the Company. The directors, officers, other employees and agents of the Company are expected and obligated as part of their job functions to fully co-operate in the investigation. Investigations will be conducted as quickly as possible, taking into account the nature and complexity of the complaint and the matters raised therein.

In the event of a complaint regarding violations or suspected violations by the Chair, or in the event of a complaint regarding violations or suspected violations by the Board of Directors as a whole, the CEO will be responsible for investigating such complaints and will report his or her findings to the Board of Directors (except for any director that is the subject of an allegation in a complaint) or the applicable securities regulatory authority under the applicable whistleblower program in cases where the CEO has determined that it is in the best interests of the Company to do so. The CEO may engage, at the Company's expense, internal or external legal, accounting, human resources or other advisors as the CEO considers advisable.

## **9. ACTING IN GOOD FAITH**

Anyone filing a complaint concerning a violation or suspected violation of our standards of conduct must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of our standards of conduct. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

## **10. REVIEW OF POLICY**

The Board of Directors will annually review and evaluate the effectiveness of this Policy.