



Dear Arizona Sonoran Copper Company Shareholders,

Thank you for your support of Elim Mining Incorporated, now Arizona Sonoran Copper Company Inc. (“ASCU” or the “Company”) over the past few years. I am delighted to provide you an update on the Company, along with the notice of meeting and proxy for our second Annual General Meeting, to be held virtually on August 5, 2021, at 11 am EST.

The Company has made significant headway in its initiatives since its formation in 2019 and I can confidently say that ASCU is the most exciting copper development company I have seen in years. Having just recently joined the Company after an extensive due diligence period, I want to express to our shareholders, stakeholders, the Board and the management team, just how excited I am to have the opportunity to build the Company and the Cactus Project. Additionally, I would like to thank John Antwi, Paul Huet and Elaine Ellingham for their efforts to advance the Company to its current stage of development.

Our goal is to become a mid-tier copper producer in the medium term with low operating costs, develop a project generating robust returns for investors and provide a long term sustainable and responsible operation for the local communities and all our stakeholders.

Recent developments at ASCU include:

- **Establishing an ESG framework to inform future decisions at ASCU:** We have worked extensively over the last six months to define an environmental, social and governance framework which forms the basis of current and future operations at the Company. We are committed to mining sustainably, revitalizing a previously abandoned site, contributing to local economic development and powering a renewable energy future. Our updated corporate governance framework reflects industry best-practices and provides a structure for accountability to all Stakeholders.
- **Health and Safety:** A topic that is perhaps most important to me. Our team is doing a tremendous job following CDC rules and COVID has not impacted the business. Additionally, we have not reported a single lost-time accident or medical aid. Great job team!!
- **Recent new appointments:**
  - George Ogilvie, President, CEO and Director. I have over 30 years of management, operating and technical expertise in the mining industry. I have previously served as President & CEO of Battle North Corporation (recently acquired by Evolution Mining at a significant premium to the prevailing share price), CEO of Kirkland Lake Gold (where my team and I served to deliver outstanding returns to shareholders) and CEO of Rambler Metals and Mining plc which my team and I took from grassroots



exploration to a profitable junior copper producer. With my appointment, I have personally made a financial investment of US\$500,000 in ASCU, evidencing my belief in the project and the Company.

- David Laing, Chairman. David has over 40 years of experience in mining, construction, mining financing, corporate development and M&A.
  - Alan Edwards, Director. Alan has more than 35 years of operations and executive mining industry experience and significant experience in Arizona specifically.
- **Capital Restructure:**
    - On July 20, 2021, we completed a 3:1 share consolidation, resulting in one new share for every three existing shares.
    - The value and your ownership percentage of ASCU are unaffected.
    - As we transition into development of the Cactus Project with future development and construction finance demands, this new capital structure will allow the Company to raise equity funding while minimizing dilution to shareholders.
    - Minimizing future dilution through development activities should enable shareholders to realize greater value accretion.
  - **Project Developments:** Following the completion of the acquisition and subsequent financing in July 2020, significant progress has been made in relation to the project. Some of the key developments are as follows:
    - We are currently completing a preliminary economic assessment (PEA) at the Cactus Project and expect to finalize this in the Fall. We are eager to share the results with you.
    - Our permitting is advancing quickly. Local regulatory agencies recently awarded ASCU with the following major permits:
      - Water: Arizona Department of Water Resources (ADWR) Permit to Withdraw Groundwater for Mineral Extraction and Metallurgy in respect of life of mine project activities.
      - Aquifer Protection Permit (APP): Arizona Department of Environmental Quality (ADEQ) issued the APP for the Stockpile Project subject to demonstrated financial capability, which will be submitted with the amendment application.
    - Land consolidation continued around the Cactus Project, providing us with significant operational flexibility to scale operations as we develop organic expansion targets.
    - Parks/Salyer drilling results support an exciting organic upside to the Cactus Project.



Our focus for the coming year remains on:

- Delivering the Cactus integrated preliminary economic assessment as noted above.
- Advancing de-risking activities at Cactus through further technical studies.
- Development financing currently in progress through various funding sources.
- Operate in a socially responsible manner and make a meaningful contribution to the community.
- Reinforce the corporate objective of becoming a mid-tier copper producer in the medium-term realizing value for all stakeholders.

## Mining Brownfield Property with Medium Term Production Potential



As a result of the share consolidation and change of name of the Company, we require the few shareholders holding physical share certificates to return these to the Company. In return, electronic certificates will be issued as we transition towards an electronic depository receipt system. The majority of you hold physical certificates with our lawyer and the process will take place automatically. Additional details are noted in the shareholder materials included in this mailing. If you have further questions or need assistance, please contact Alison Dwoskin ([adwoskin@arizonasonoran.com](mailto:adwoskin@arizonasonoran.com)).



Thank you for welcoming me as your President and CEO. I am convinced of the significant potential which the Cactus copper project holds for ASCU and as we move towards electrification and decarbonization in the world, we intend to make ASCU an important contributor to the copper supply chain in the United States. We also look forward to realizing value for all shareholders and stakeholders in this venture.

Take care and stay safe,

*G. Ogilvie*

George Ogilvie, P.Eng.  
President, CEO and Director