Scotiabank
Global Equity Research

**Daily Edge | Intraday Flash**
Tuesday, February 4, 2025


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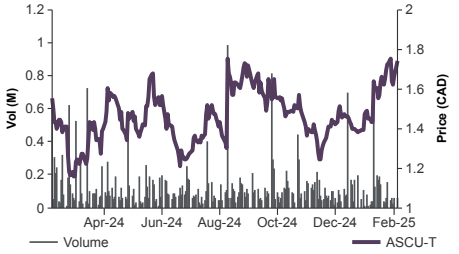
**Pertinent Data**

| | |
|---|---|
| **Rating** | **Sector Outperform** |
| **1-Yr. Target** | **C$3.50** |
| **ASCU-T** | C$1.74 |
| **1-Yr. Return** | 101.1% |
| **Risk Ranking** | Speculative |
| **Div. (NTM)** | $0.00 |
| **Div. (Curr.)** | $0.00 |
| **Yield (Curr.)** | 0.0% |
| **NAVPS** | C$5.10 |
| **P/NAV** | 0.34x |
| **Valuation:** 0.7x P/NAV10% | |

**Capitalization**

| | |
|---|---|
| **Market Cap. (M)** | C$258 |
| **Net Debt + Pref. (M)** | C$-42 |
| **Enterprise Value (M)** | C$216 |
| **Shares O/S (M)** | 148 |
| **Float O/S (M)** | 110 |

**Volume and Closing Price for ASCU-T**




Source: FactSet.

Metals & Mining

# Arizona Sonoran Copper Company Inc.

**ASCU-T:** C$1.74 **Target:** C$3.50 **Rating:** Sector Outperform

## Ambitious Work Program Outlined This Year with Updated Resource and PFS Study Due in 2025

**OUR TAKE: Positive.** Arizona Sonoran Copper provided a 2024 recap and outline of 2025 work plans. For this year, the company plans to 1) complete minimum of 130,000 ft of drilling to infill indicated drilling at Parks-Salyer and Cactus West, 2) provide an updated resource estimate in early 2H/2025, 3) publish a PFS study in 2H/2025, 4) continue with metallurgical, tradeoff and hydrological and geological work, 5) update permitting and land requirements post publication of the 2025 PFS study, 6) identify and engage potential financing partners for project financing, 7) commence the Definitive Feasibility Study in 2025. The company remains well funded, having raised C$59M through Oct 2024-Jan 2025.

We view this update as **positive** for ASCU shares as we see the release of the upcoming PFS study in particular due in 2H/2025 as an important catalyst event along with ongoing updates on project development work.

### KEY POINTS

**Detail** - Exploration in 2025 aims to upgrade the inferred mineral resource with a total of 66 holes over ~90,000 ft at Parks-Salyer and a minimum of 20,000 ft at each of Cactus West and Cactus East. All drilling is expected to be completed within the summer of 2025 with four drill rigs active. Metallurgical testing is also underway with material mostly from the Parks-Salyer deposit and two columns from Cactus West. Additional project work is also advancing in the areas of hydrological and geological work, permitting and other site activities.

**Valuation** - Using Scotiabank GBM prices, ASCU shares are trading at a P/NAV10% of 0.34x vs development peers trading at 0.61x.

| (FY-Dec.) | 2023A | 2024E | 2025E | 2026E |
|---|---|---|---|---|
| **CFPS** | $-0.11 | $-0.09 | $-0.05 | $-0.05 |
| **Price/Cash Flow** | n.m. | n.m. | n.m. | n.m. |
| **Copper Price (US$/lb)** | $3.85 | $4.15 | $4.25 | $4.50 |
| **Revenues (M)** | $0.0 | $0.0 | $0.0 | $0.0 |
| **Copper Prod (000 t)** | 0 | 0 | 0 | 0 |
| **Copper Cash Cost (US$/lb)** | $0.00 | $0.00 | $0.00 | $0.00 |

Historical price multiple calculations use FYE prices. All values in US$ unless otherwise indicated.
Source: FactSet; company reports; Scotiabank GBM estimates.


Production: February 4, 2025, 10:01 ET. Dissemination: February 4, 2025, 10:04 ET.

## Company Overview



### Company Description

Arizona Sonoran Copper Company Inc. is advancing its wholly owned development-stage Cactus copper project in Arizona.

### Key Risks

Operating, exploration, development, and commodity price risks.

## Appendix A: Important Disclosures

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## Rating and Price Target History

**Arizona Sonoran Copper Company Inc. (ASCU-T) as of February 03, 2025 (in CAD)**


*Represents the value(s) that changed.
Ratings Legend: SO=Sector Outperform; SP=Sector Perform; SU=Sector Underperform; UR=Under Review; CS=Coverage Suspended; DC=Discontinued Coverage
Source: Scotiabank GBM estimates; FactSet.

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| | Companies Rated in Each Category | | Investment Banking Service Provided in the Last 12 Months | |
|---|---|---|---|---|
| **Rating** | **Count** | **Percentage** | **Count** | **Percentage** |
| Sector Outperform | 302 | 51% | 165 | 55% |
| Sector Perform | 269 | 46% | 132 | 49% |
| Sector Underperform | 19 | 3% | 6 | 32% |

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