

**FORM 62-103F1**  
**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**Item 1 – Security and Reporting Issuer**

**1.1** *State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

This report relates to common shares (“**Common Shares**”) of American Copper Development Corporation (the “**Issuer**”).

The head office of the Issuer is located at 2710 Granville Street, Suite 200, Vancouver, British Columbia, V6C 1S4.

**1.2** *State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.*

Pursuant to an asset purchase agreement, dated May 18, 2022, between, among others, the Issuer and Mason Resources (US) Inc. (“**Mason**”), a wholly-owned subsidiary of Hudbay Minerals Inc. (“**Hudbay**”), the Issuer issued 9,896,591 Common Shares to Mason as partial consideration for the acquisition of a 100% interest in Mason’s Lordsburg property in New Mexico, United States (the “**Transaction**”). Promptly following the closing of the Transaction, Mason entered an agreement to transfer the Common Shares of the Issuer to Hudbay at fair market value.

**Item 2– Identity of the Acquiror**

**2.1** *State the name and address of the acquiror.*

Hudbay Minerals Inc.

The head office of Hudbay is located at 25 York Street, Suite 800, Toronto, Ontario, M5J 2V5.

**2.2** *State the names of any joint actors.*

Mason Resources (US) Inc., a wholly-owned subsidiary of Hudbay.

**Item 3– Interest in Securities of the Reporting Issuer**

**3.1** *State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.*

Prior to the closing of the Transaction, Hudbay held no Common Shares of the Issuer. Following the acquisition of the Common Shares in connection with the Transaction, Hudbay will own 9,896,591 Common Shares, representing 12.0% of the issued and outstanding Common Shares of the Issuer on a non-diluted basis.

**3.2** *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.*

See Item 3.1 above.

**3.3** *If the transaction involved a securities lending arrangement, state that fact.*

Not applicable.

**3.4** *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.*

See Item 3.1 above.

**3.5** *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which*

*(a) the acquiror, either alone or together with any joint actors, has ownership and control,*

See Item 3.1 above.

*(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and*

None.

*(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

None.

**3.6** *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

None.

**3.7** *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right*

*to recall the securities or identical securities that have been transferred or lent under the arrangement.*

*State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.*

Not applicable.

- 3.8** *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1** *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

See Item 1.2 above.

- 4.2** *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See Item 1.2 above.

- 4.3** *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

#### **Item 5 – Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer.*

*Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:*

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*

- (d) *a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*
- (e) *a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) *a material change in the reporting issuer's business or corporate structure;*
- (g) *a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) *a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) *the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) *a solicitation of proxies from securityholders;*
- (k) *an action similar to any of those enumerated above.*

Hudbay acquired the Common Shares for investment purposes and may, depending on market or other conditions, increase or decrease its beneficial ownership, control or direction over the Common Shares through market transactions, private agreements or otherwise.

#### **Item 6– Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

##### ***Escrow Agreement***

The Common Shares acquired by Hudbay will be subject to certain escrow conditions pursuant to an escrow agreement (the “**Escrow Agreement**”) in the form provided under National Policy 46-201 – *Escrow for Initial Public Offerings*.

In accordance with the Escrow Agreement, the Common Shares will be released as follows: 10% on the closing of the Transaction and six subsequent releases of 15% each six months

thereafter (as such percentage amounts refer to the original number of Common Shares deposited in escrow pursuant to the Escrow Agreement).

### ***Lock-up, Placement and Voting Agreement***

In connection with the Transaction, Mason and American Copper have entered into a Lock-up, Placement and Voting Agreement, dated August 5<sup>th</sup>, 2022, which has been assigned by Mason to Hudbay in connection with the transfer of the Common Shares (the “**Rights Agreement**”).

The Rights Agreement provides American Copper with a right of first refusal should Hudbay wish to sell, directly or indirectly, in one transaction or multiple transactions occurring within a period of 180 consecutive days, an aggregate of 2.5% of its ownership of Common Shares to a non-affiliated person.

The Rights Agreement provides that Hudbay will vote in favour of American Copper’s slate of nominees recommended for election to the board of directors of American Copper (the “**Board**”) until the earlier of: (i) Hudbay’s pro-rata ownership of Common Shares ceasing to be at least 10%; and (ii) two years following the date of the Rights Agreement, subject to certain exceptions.

In addition, the Rights Agreement provides Hudbay with the right to nominate a director to the Board, until the later of: (i) Hudbay’s pro-rata ownership of Common Shares ceasing to be at least 10%; and (ii) three years following the date of the Rights Agreement. Should Hudbay choose to not nominate a director, Hudbay is entitled to choose one individual to be designated as an observer to attend all meetings of the Board.

### **Item 7– Change in Material Fact**

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.*

Not applicable.

### **Item 8 – Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

Not applicable.

### **Item 9– Certification**

The undersigned hereby certifies to the best of their knowledge, information and belief, that the statements made in this report are true and complete in every respect.

August 9, 2022  
Date

(Signed) "Mark Haber"  
Signature

Mark Haber  
Name

Executive Director, Legal and Corporate Secretary  
Title