Highland Copper

Consolidated Financial Statements

Years ended June 30, 2024 and 2023

In US dollars

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Highland Copper Company Inc.

Opinion

We have audited the consolidated financial statements of Highland Copper Company Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at June 30, 2024 and June 30, 2023
- the consolidated statements of income (loss) and comprehensive income (loss) for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at June 30, 2024 and June 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the consolidated financial statements, which indicates that the Entity is still in the exploration stage and, as such, has not yet generated positive cash flows from its operating activities, that no revenue has been yet been generated, that the Entity has an accumulated deficit as at June 30, 2024, and that its operations are dependent on obtaining additional funds to pursue its operations and meet its obligations related to the development of the Copperwood and White Pine North projects beyond the current fiscal year.

As stated in Note 3 in the consolidated financial statements, these events or conditions, along with other matters as set forth in Note 3 in the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended June 30, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "***Material Uncertainty related to Going Concern***" section of the auditor's report, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Evaluation of indicators of impairment for exploration and evaluation assets, including the exploration and evaluation assets related to the investment in associate

Description of the matter

We draw attention to Notes 4 d), 4 f), 4 j), and 5 b) of the financial statements. The value of the exploration and evaluation assets is $19,520,861 and the investment in associate is $16,040,034. On July 24, 2023, the Entity completed a transaction in which the Entity sold 66% of the common shares of White Pine Copper LLC, which owns the White Pine North Project ("White Pine"). The Entity derecognized the assets and liabilities of White Pine from its consolidated statement of financial position, and recorded its interest at fair value as an investment in associate. The Entity accounts for its investment in associate using the equity method, which requires, among other things, the Entity to assess whether indicators of impairment related to the White Pine exploration and evaluation assets are present.

The carrying amounts of exploration and evaluation assets (including exploration and evaluation assets related to the investment in associate) is assessed by the Entity for impairment when indicators of impairment exist. Judgment is required in determining whether indicators of impairment exist and include, but are not limited to, the following factors:

- Exploration rights have expired or will expire in the near future
- No significant future exploration expenditures are foreseen
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued.

Exploration and evaluation assets are assessed for impairment indicators at the end of each reporting period. There were no impairment indicators for exploration and evaluation assets (including the exploration and evaluation assets related to the investment in associate) at June 30, 2024.

Why the matter is a key audit matter

We identified the evaluation of indicators of impairment for exploration and evaluation assets (including the exploration and evaluation assets related to the investment in associate) as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of exploration and evaluation assets and investment in associate. Significant auditor judgment was required to evaluate the results of our audit procedures to assess the Entity's determination of whether the factors, individually and in aggregate, resulted in indicators of impairment.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

- We evaluated the Entity's impairment indicators analysis and considered whether the analysis was consistent with evidence in other areas of the audit, by examining internal and external communications and the Entity's technical reports.
- We assessed the status of the Entity's exploration rights by discussing with management and inspecting available correspondence with government authorities to identify if any rights could be lost or not renewed by the government authorities.
- We assessed future exploration expenditures and whether exploration and evaluation activities will be discontinued by inspecting budgeted expenditures for the upcoming year, the Entity's technical reports, and internal and external communications. We evaluated the Entity's ability to accurately budget the exploration expenditures by comparing the Entity's prior year budgeted exploration expenditures to the actual exploration expenditures incurred.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Marc-André Fontaine.

KPMG LLP*

Montréal, Canada

August 27, 2024

*CPA auditor, public accountancy permit No. A131804

Highland Copper Company Inc.
Consolidated Statements of Financial Position

(in US dollars)	**June 30 2024**	June 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents	**$ 20,262,813**	$ 7,030,317
Amounts receivable	**74,666**	66,870
Prepaid expenses and deposits	**375,090**	71,655
	20,712,569	7,168,842
Non current assets		
Environmental bond (Note 5a)	**2,351,632**	613,633
Investment in associate (Note 5b)	**16,040,034**	-
Capital assets	**-**	20,037
Exploration and evaluation assets (Note 5)	**19,520,861**	24,113,990
Total assets	**$ 58,625,096**	$ 31,916,502
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,373,965**	$ 1,997,597
Income tax payable (Note 12)	**9,878**	-
	1,383,843	1,997,597
Non current liabilities		
Loans and borrowings (Note 6)	**2,383,329**	-
Deferred income tax liability (Note 12)	**964,018**	-
Asset retirement obligation (Note 7)	**1,184,752**	1,939,141
Total liabilities	**$ 5,915,942**	$ 3,936,738
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	**$ 83,948,586**	$ 83,948,586
Contributed surplus	**16,766,368**	16,058,937
Deficit	**(48,633,682)**	(72,830,802)
Cumulative translation adjustment	**627,882**	803,043
Total equity	**$ 52,709,154**	$ 27,979,764
Total liabilities and equity	**$ 58,625,096**	$ 31,916,502

Going concern (Note 3)

The accompanying notes form an integral part of these audited consolidated financial statements.

Approved on behalf of the Board of Directors:

/S/ Barry O'Shea ______________________________
Barry O'Shea, CEO

/s/ Caroline Donally ______________________________
Caroline Donally, Director

Highland Copper Company Inc.
Consolidated Statements of Income (loss) and Comprehensive Income (loss)

		Years ended
(in US dollars)	**June 30, 2024**	June 30, 2023
Expenses and other items		
Exploration and evaluation (Note 10)	**$ 9,748,207**	$ 4,672,875
Management and administration (Note 11)	**2,960,395**	2,199,352
Depreciation and amortization	**1,289**	17,030
Share-based compensation	**707,431**	838,552
Gain on sale of controlling interest in White Pine (Note 5b)	**(39,521,720)**	-
Accretion on environmental liability	**-**	4,142
Share of loss in associates (Note 5b)	**1,902,293**	-
Interest expense (Note 6)	**65,547**	-
Finance income	**(904,573)**	(241,259)
Gain on settlement of accounts payable	**-**	(492,538)
Gain on foreign exchange	**(129,885)**	(194,167)
Net income (loss) before income tax expense	**25,171,016**	(6,803,987)
Current income tax expense (Note 12)	**9,878**	-
Deferred income tax expense (Note 12)	**964,018**	-
Net income (loss) for the year	**24,197,120**	(6,803,987)
Other comprehensive loss		
Item that may be subsequently reclassified to income		
Foreign currency translation adjustment	**(175,161)**	(313,406)
Comprehensive income (loss) for the year	**$ 24,021,959**	$ (7,117,393)
Basic and diluted income (loss) per share	**$ 0.03**	$ (0.01)
Weighted average number of common shares basic and diluted	**738,334,938**	736,363,619

The accompanying notes form an integral part of these audited consolidated financial statements.

Highland Copper Company Inc.
Consolidated Statements of Cash Flows

(in US dollars)	**June 30, 2024**	Years ended in June 30, 2023
Operating activities		
Net income (loss) for the year	**$ 24,197,120**	$ (6,803,987)
Adjustments		
Tax expense	**964,018**	-
Share-based compensation	**707,431**	838,552
Depreciation and amortization	**1,289**	17,030
Gain on sale of controlling interest in White Pine (Note 5b)	**(39,521,720)**	-
Share of loss in associates (Note 5b)	**1,902,293**	-
Accretion on environmental liability	**-**	4,142
Accrued Interest expense on Kinterra loan (Note 6)	**65,547**	-
Accrued Interest income on environmental bond (Note 5a)	**(83,952)**	-
Unrealized gain on foreign exchange	**(129,885)**	(194,167)
Gain on settlement of accounts payables	**-**	(492,538)
Changes in working capital items		
Accounts receivable	**(7,796)**	(15,829)
Prepaid expenses and deposits	**(303,435)**	(731)
Accounts payable and accrued liabilities	**376,368**	232,305
Income tax payable	**9,878**	-
	(11,822,844)	(6,415,223)
Investing activities		
Reimbursement of an environmental bond (Note 5a)	**613,633**	1,062,516
Payment to acquire an environmental bond (Note 5a)	**(2,267,680)**	-
Additions to capital assets	**-**	(20,331)
Additions to exploration and evaluation assets - Copperwood (Note 5)	**(266,025)**	(266,025)
Addition to exploration and evaluation assets - White Pine (Note 15)	**(1,000,000)**	-
Net proceeds from sale of controlling interest in White Pine (Note 5b)	**28,190,688**	-
Asset retirement obligation	**-**	(162,426)
Investment in associate	**(170,000)**	-
	25,100,616	613,734
Effect of exchange rate changes on cash held in foreign currency	**(45,276)**	(98,009)
Net change in cash and cash equivalents	**13,232,496**	(5,899,498)
Cash and cash equivalents, beginning of the year	**7,030,317**	12,929,815
Cash and cash equivalents, end of the year	**$ 20,262,813**	$ 7,030,317

Supplemental cash flow information (Note 15)

The accompanying notes form an integral part of these audited consolidated financial statements.

Highland Copper Company Inc.
Consolidated Statements of Shareholders' Equity

(in US dollars)	Number of issued and outstanding shares	Share Capital	Contributed Surplus	Deficit	Cumulative translation adjustment	Total shareholders' equity
Balance at June 30, 2023	**736,363,619**	**$ 83,948,586**	**$ 16,058,937**	**$ (72,830,802)**	**$ 803,043**	**$ 27,979,764**
Net income for the year	**-**	**-**	**-**	**24,197,120**	**-**	**24,197,120**
Share-based compensation	**-**	**-**	**707,431**	**-**	**-**	**707,431**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**(175,161)**	**(175,161)**
Balance at June 30, 2024	**736,363,619**	**$ 83,948,586**	**$ 16,766,368**	**$ (48,633,682)**	**$ 627,882**	**$ 52,709,154**
Balance at June 30, 2022	736,363,619	$ 83,948,586	$ 15,220,385	$ (66,026,815)	$ 1,116,449	$ 34,258,605
Net loss for the year	-	-	-	(6,803,987)	-	(6,803,987)
Share-based compensation	-	-	838,552	-	-	838,552
Foreign currency translation adjustment	-	-	-	-	(313,406)	(313,406)
Balance at June 30, 2023	736,363,619	$ 83,948,586	$ 16,058,937	$ (72,830,802)	$ 803,043	$ 27,979,764

The accompanying notes form an integral part of these audited consolidated financial statements.

1. GENERAL INFORMATION

Highland Copper Company Inc. is a Canadian-based company. Highland and its subsidiaries (together "Highland" or the "Company") are primarily engaged in the acquisition, exploration, and development of mineral properties in Michigan, USA. The address of the Company's registered office is 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7. Highland's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "HI" and on the OTCQB Venture Marketplace under the symbol "HDRSF".

The Company's principal assets, located in Michigan's Upper Peninsula region, include the 100%-owned Copperwood copper project (the "Copperwood Project") and the 34%-owned White Pine North copper project (the "White Pine North Project").

All financial results in these audited consolidated financial statements are expressed in US dollars unless otherwise indicated.

The Board of Directors approved these audited consolidated financial statements on August 27, 2024.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These consolidated financial statements were prepared on the historical cost basis, less any impairment, except for the following material items:

Equity-classified share-based payment arrangements are measured at fair value at grant date pursuant to IFRS 2, Share-based payment.

Asset retirement obligations that are measured at the present value of the expected expenditures to settle the obligation.

Investment in an associate

The Company accounts for its investment in an associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net income/loss and other comprehensive income/loss of the investees, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the investees' reserves, and for impairment losses after the initial recognition date. The Company's share of earnings or losses of its investees are recognized in the Company's Statement of Income/Loss and Comprehensive Income/Loss during the period.

Functional and reporting currency

These consolidated financial statements are presented in US dollars. The functional currency of Highland is the Canadian dollar and the functional currency of the Company's US-based subsidiaries is the US dollar. The functional currencies of Highland and its subsidiaries have remained unchanged during the reporting years. The exchange difference resulting from the conversion of the consolidated financial statements from its functional currency to its reporting currency is included in other comprehensive income presented in equity.

3. GOING CONCERN

These audited consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

The Company is subject to a number of risks and uncertainties associated with its future exploration and development activities. The recovery of amounts recorded for exploration and evaluation assets depends on the ability of the Company to obtain the necessary financing to complete the development of the projects, future profitable production from the projects, or proceeds from their disposition thereof.

For the year ended June 30, 2024, the Company had negative cash flows from operations of $11,822,844 ($6,415,223 for year ended June 30, 2023). In addition, the Company had an accumulated deficit of $48,633,682 as at June 30, 2024 ($72,830,802 as at June 30, 2023). The Company will require additional financing to fund its operations and to meet its planned investment in the Copperwood and White Pine North projects. As at June 30, 2024, the Company had working capital (total current assets less total current liabilities) of $19,328,726 ($5,171,245 as at June 30, 2023) and believes it has sufficient liquidity to meet its obligations for the next 12 months. However, since the Company is in the exploration and evaluation stage, no revenue nor positive cash flow has yet been generated from its operating activities. The Company has relied upon external financings, primarily through the issuance of equity, exercise of warrants and share options, as well as proceeds from the disposal of exploration and evaluation assets, to fund its operations in the past. While the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the future.

If management is unable to obtain adequate funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The conditions and uncertainties described above indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values or the classification of assets and liabilities and reported expenses that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of consolidation

These consolidated financial statements include the accounts of Highland and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Highland and its subsidiaries have an annual reporting date of June 30. Details of the Company's subsidiaries are as follows:

- Upper Peninsula Holding Company Inc. ("UPHC") is the Company's US-based holding company, incorporated in February 2014 in the State of Delaware, USA, which in turn wholly owns the following three (3) companies:
- Keweenaw Copper Co. ("Keweenaw"), incorporated in July 2011 in the State of Delaware, USA;
- Copperwood Resources Inc. ("CRI"), acquired in June 2014 and incorporated in the State of Michigan, USA.

b) Foreign currency translation

The Company and its subsidiaries each determine their functional currency based on the currency of the primary economic environment in which they operate.

Transactions in foreign currencies are translated to the functional currency at exchange rates in effect at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency in effect at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate in effect at the date on which the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in effect at the date of the transaction. Foreign currency differences arising on translation are recognized in net loss.

The Company's Canadian operations are translated to the Company's presentation currency, for inclusion the consolidated financial statements. Foreign denominated assets and liabilities are translated at the exchange rate prevailing at the reporting date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Unrealized exchange gains and losses resulting from translation are presented in other comprehensive income.

c) Financial Instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, FVPL or fair value through other comprehensive income (“FVOCI”), as appropriate. The Company considers whether a contract (other than a financial asset) contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required. The Company has no financial assets at FVPL and at FVOCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and is not designated as FVPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, including accrued interest, is classified as and measured at amortized cost.

Financial liabilities

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. Accounts payable and accrued liabilities, loans and borrowings, are classified as and measured at amortized cost.

Fair values

Financial instruments that are measured at fair value subsequent to initial recognition, if any, are grouped into a hierarchy based on the degree to which the fair value is observable as follows: Level 1: Quoted prices in active markets for identical items (unadjusted); Level 2: Observable direct or indirect inputs other than Level 1 inputs; or Level 3: Unobservable inputs (not derived from market data).

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset, then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

d) Investment in associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those decisions. The Company is presumed to have significant influence if it holds, directly or indirectly, 20% or more of the voting power of the investee, unless it can be clearly demonstrated that the Company does not have significant influence.

The Company accounts for its investment in associate using the equity method. Under the equity method, the Company's investment in associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net earnings/loss and other comprehensive earnings/loss of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate's reserves, and for impairment losses after the initial recognition date. The Company's share of the associate's losses that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings or losses of its associate are recognized in net earnings during the period. Dividends and repayment of capital received from the associate are accounted for as a reduction in the carrying amount of the Company's investment. Unrealized gains and losses between the Company and its associate are recognized only to the extent of unrelated investors' interests in the associate. Intercompany balances and interest expense and income arising on loans and borrowings between the Company and its associate are not eliminated.

In order to apply the equity method, management has to align White Pine's accounting policies with those of the Company, which requires among other things management to assess whether indicators of impairment related to the White Pine exploration and evaluation assets are present.

e) Exploration and evaluation assets

Costs related to exploration and evaluation of mineral properties are recognized in profit or loss as incurred. All option and mining lease payments and costs of acquiring mineral rights are capitalized as exploration and evaluation assets.

Any option payments or proceeds from the sale of royalty interests received by the Company are credited to the capitalized cost of the related exploration and evaluation asset. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts with the difference recognized in profit or loss. When the technical feasibility and the commercial viability of extracting a mineral resource are demonstrable and a mine development decision has been made by the Company, exploration and evaluation assets related to the mining property are transferred as tangible assets and related development expenditures are capitalized. Before the reclassification, the related exploration and evaluation assets are tested for impairment and any impairment loss is then recognized in profit or loss.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, including a) the extent to which mineral reserves or mineral resources as defined in National Instrument 43-101 have been identified through a feasibility study or similar document; b) the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; c) the status of environmental permits; and d) the status of mining leases or permits.

Borrowing costs directly attributable to the acquisition of exploration and evaluation assets are added to the cost of the project until such time as the assets are substantially ready for their intended use or sale, which in the case of mining properties is when they are capable of commercial production.

f) Impairment of non-financial assets

At the end of each reporting date, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The carrying amounts of exploration and evaluation assets (including exploration and evaluation assets related to the investment in associate) is assessed by the Company for impairment when indicators of impairment exist. Judgment is required in determining whether indicators of impairment exist and include, but are not limited to, the following factors:

- Exploration rights have expired or will expire in the near future
- No significant future exploration expenditures are foreseen
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued

Exploration and evaluation assets are assessed for impairment indicators or the reversal of impairment indicators (not to exceed the amount of prior impairments) at the end of each reporting period.

The recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Value in use considers estimated future cash flows associated with the asset, such value being discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In the case of exploration and evaluation assets, impairment reviews are carried out on a property-by-property basis, with each property representing a potential cash-generating unit. A previous impairment is reversed if the asset's recoverable amount subsequently exceeds its carrying amount.

g) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the related asset, as soon as the obligation to incur such costs arises and to the extent that such cost can be reasonably estimated.

h) Income taxes

When applicable, income tax on the profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable profit for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination which affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right and intention to set off current tax assets and liabilities from the same taxation authority.

i) Share-based payment transactions

Equity-settled share-based payments are made in exchange for services received and transactions related to mineral properties and are measured at their fair value. The fair value of the services rendered, or the mineral property transaction is determined indirectly by reference to the fair value of the equity instruments granted when the fair value of services rendered, or the mineral property transaction cannot be reliably estimated. The fair value of share-based payments to directors, officers, employees and consultants with employee-related functions is recognized as an expense over the vesting period (the vesting being conditional in certain instances on the achievement of defined performance conditions) with a corresponding increase to contributed surplus. Financing warrants and warrants to brokers, in respect of an equity financing, are recognized as a share issue expense with a corresponding increase to contributed surplus. The fair value of share options granted is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model and considering an estimated forfeiture rate and the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Upon the exercise of share-based payments, the proceeds received, net of any direct expenses, as well as the related compensation expense previously recorded as contributed surplus, are credited to share capital.

j) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, judgments and assumptions are recognized in the period in which the estimate is revised and future period if the revision affects both current and future period. These estimates, judgments and assumptions are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, include, but are not limited to the following:

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures are subject to certain assumptions and do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test in the year the new information becomes available. As at June 30, 2024, there were no impairment indicators, and the Company has determined that there were no significant events or changes in circumstances that indicated that the carrying value of its exploration and evaluation assets (including the exploration and evaluation assets related to the investment in associate) may not be recoverable. As such, no impairment test was performed, and no impairment loss was recognized during the year ended June 30, 2024.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 3).

Asset Retirement Obligation

Environmental liabilities are determined using management's best estimates of the probable amounts of future cash outflows, the expected timing of payments and discount rates.

k) Accounting standards issued but not yet effective

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than June 30, 2024. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact or management has not yet assessed the impact on the Corporation's consolidated financial statements.

(in US dollars)

l) New accounting method

On July 1, 2023, the Company adopted the amendments to IAS 1. The changes include requiring companies to disclose information about their material accounting policies, rather than their significant accounting policies; clarifying that accounting policies relating to immaterial transactions, other events or conditions are themselves immaterial and need not be disclosed; stating that accounting policies relating to significant transactions, other events or conditions are not themselves all material in relation to a company's financial statements.

5. EXPLORATION AND EVALUATION ASSETS

	Copperwood Project	White Pine Project	Total
Balance at June 30, 2022	$ 17,804,059	$ 5,052,200	$ 22,856,259
Acquisition	266,025	1,000,000	1,266,025
Effect of foreign exchange	-	(8,294)	(8,294)
Balance at June 30, 2023	$ 18,070,084	$ 6,043,906	$ 24,113,990
Additions to exploration and evaluation assets	**266,025**	**-**	**266,025**
Addition to asset retirement obligation	**1,184,752**	**-**	**1,184,752**
Disposition of controlling interest in White Pine Copper LLC	**-**	**(6,043,906)**	**(6,043,906)**
Balance at June 30, 2024	**$ 19,520,861**	**$ -**	**$ 19,520,861**

a) Environmental Bond

On May 13, 2014, the Company acquired from Copper Range Company (CRC) all rights, title, and interest in the White Pine North Project. On July 27, 2021, in accordance with the acquisition agreement, Highland (i) deposited an agreed amount of $1,676,149 with the Michigan Department of Environment, Great Lakes, and Energy ("EGLE") associated with the remediation and closure plan of the previous White Pine operation; and (ii) released CRC from its environmental obligations with the Michigan Department of Environmental Quality.

In December 2022, the Company secured a surety bond as financial assurance for the White Pine North Project. As part of that process, the Company placed a cash deposit of $613,633 with the surety provider, which represented 35% of the value of the total assurance. Following the completion of the Kinterra Transaction in July 2023 (Note 5b), the financial assurance for the White Pine North Project of $613,633 was returned.

(in US dollars)

In July 2023, the Company secured a surety bond as financial assurance for the Copperwood Project. The Company paid a cash deposit of $2,267,680, which represents 35% of the financial assurance valued at $6,479,089. The Company also earned interest on the bond since July 2023 of $83,952. The value of the environmental bond as at June 30, 2024 is $2,351,632.

b) Deconsolidation of White Pine North Project, Michigan, USA, and investment in associates

On July 24, 2023, the Company completed a transaction with Kinterra Copper USA LLC ('Kinterra") in which the Company sold 66% of the common shares of White Pine Copper LLC, which owns the White Pine North Project, in exchange for $30 million in cash, net of transaction costs amounting to $1,809,312.

Effective July 24, 2023, the Company held an interest of 34% (compared to 100% as at June 30, 2023) in White Pine Copper LLC and management determined that the Company was no longer in a position of control over White Pine Copper LLC. Management determined it was able to exert significant influence on White Pine Copper LLC and accordingly, the Company deconsolidated White Pine Copper LLC on July 24, 2023, and started accounting for its investment in White Pine Copper LLC using the equity method. The Company hence derecognized the assets and liabilities of the White Pine North Project from its consolidated statement of financial position, recorded its interest at fair value as an investment in associate for $15,454,545 at the transaction date of July 24, 2023 and recognized a gain on sale of controlling interest in subsidiary of $39,521,720.

The following tables summarize the financial information related to White Pine Copper LLC on July 24, 2023, immediately prior to deconsolidation, before intercompany adjustments:

Non-current assets		
Capital assets	$	18,748
Exploration and evaluation assets		6,043,906
Non-current liabilities		
Asset retirement obligation		(1,939,141)
Total net assets	**$**	**4,123,513**

The following table details the gain on sale:

Fair value of consideration received (net)	$	28,190,688
Fair value of retained non-controlling investment in White Pine Copper LLC		15,454,545
Carrying amount of White Pine Copper LLC		(4,123,513)
Gain on sale of controlling interest in subsidiary	**$**	**39,521,720**

(in US dollars)

Investment in associate:

	Year ended June 30, 2024
Balance as at June 30, 2023	$ -
Fair value of retained non-controlling investment in White Pine Copper LLC	15,454,545
Cash calls	2,487,782
Share of loss	(1,902,293)
Balance as at June 30, 2024	**$ 16,040,034**

c) Royalty Agreements

The Company has granted Osisko a 3/26th NSR royalty on all future silver production from the Copperwood and White Pine North projects in relation to an agreement signed in 2021. Osisko has the option to acquire the remaining 23/26th NSR royalty on all silver produced from the Copperwood and White Pine North projects by paying an additional $23 million to the Company within 60 days following the delivery of a feasibility study on the White Pine North Project. To secure the payment of future NSR royalty, Osisko has a mortgage on the Copperwood property and a general security agreement over all the assets of the Company and includes specifically a pledge of the shares of the following subsidiaries: Upper Peninsula Copper Holdings Inc., Copperwood Resources Inc., White Pine Copper LLC and Keweenaw Copper Co.

6. LOANS AND BORROWINGS

In addition to its $30 million initial investment in White Pine LLC (see note 5 b), the Company and Kinterra have agreed to fund, subject to certain conditions, expenditures with respect to the Initial Program to advance the White Pine North Project. Kinterra will fund its 66% pro rata expenditure, as well as provide an unsecured loan to the Company to satisfy its pro rata expenditure. The unsecured loan (the “Initial Loan”) is subject to an interest rate of 10%, compounded annually from the date of each advance, and matures on July 24, 2026 (the “Initial Maturity Date”). If the Company does not repay all amounts owing under the Initial Loan, including all accrued interest thereon by the Initial Maturity Date, all amounts outstanding under the Initial Loan will be automatically converted into a capital contribution of Kinterra, hence diluting the Company’s proportionate ownership in the White Pine North Project.

A second unsecured loan (the “Advanced Loan”) will become available to the Company to fund its pro rata expenditure after the Initial Loan has been spent on the White Pine North Project, provided that the Company has repaid the Initial Loan upon maturity or such amounts have been converted to Kinterra capital contribution. The Advanced Loan is subject to an interest rate of 10%, compounded annually from the date of each advance, and matures on the earlier of i) July 24, 2028 and ii) the date of determination by White Pine North Project’s management committee to commence detailed engineering (the “Advanced Loan Maturity Date”). If the Company does not repay all amounts owing under the Advanced Loan, including all accrued interest thereon by the Advanced Loan Maturity Date, all amounts outstanding under the Advanced Loan will be automatically converted into a capital contribution of Kinterra Copper, hence diluting the Company's proportionate ownership in the White Pine North Project.

(in US dollars)

The balance of the Initial Loan is as follows:

	Year ended June 30, 2024
Balance at June 30, 2023	$ -
Cash call funded by Kinterra on behalf of Highland Copper	2,317,782
Accrued interest	65,547
Balance at June 30, 2024	**$ 2,383,329**

7. ASSET RETIREMENT OBLIGATION

During the year, the Company started early site work at Copperwood. The Early Site Work primarily concentrated on the timely completion of authorized wetland and stream activities alongside the initiation of onsite wetland mitigation activities. To efficiently perform the permitted wetlands and stream impacts, the surrounding upland areas were disturbed to create access routes and laydowns. These disturbances would require future reclamation activities. The asset retirement obligation consists of a provision for reclamation costs related to the Copperwood Project. The undiscounted cash flow amount of the total liability was estimated at $1,599,474 at June 30, 2024. The present value of the total liability was calculated using a discount rate of 4.18% and is reflecting payments to be made from 2039 to 2040, inclusively, while taking into consideration an inflation rate of 2.0% over that period.

	Copperwood Project	White Pine Project	Total
Balance at June 30, 2023	$ -	$ 1,939,141	$ 1,939,141
Addition to asset retirement obligation	1,184,752	-	1,184,752
Disposition of controlling interest in White Pine Copper LLC	-	(1,939,141)	(1,939,141)
Balance at June 30, 2024	**$ 1,184,752**	**$ -**	**$ 1,184,752**

8. SHARE CAPITAL

Issued and fully paid

At June 30, 2024, the Company had 736,363,619 issued and outstanding common shares (736,363,619 issued and outstanding common shares at June 30, 2023).

(in US dollars)

Share purchase warrants

The following table reflects the number of issued and outstanding share purchase warrants as at June 30, 2024 and 2023:

Grant date	Number of warrants June 30, 2023	Expired	Number of warrants June 30, 2024	Exercise price per share (C$)	Exercise price per share ($)	Expiry Date
August 27, 2021	126,464,965	(126,464,965)	-	0.18	0.14	August 27, 2023
September 9, 2021	5,250,000	(5,250,000)	-	0.18	0.14	September 9, 2023
	131,714,965	**(131,714,965)**	**-**	**0.18**	**0.14**	

The share purchase warrants expired without being exercised.

9. STOCK OPTIONS

The Company has an equity incentive compensation plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 7 years from the date of grant. Vesting terms are determined by the Board of Directors at the time of grant.

As at June 30, 2024, the Company had 39,550,002 (23,300,000 as at June 30, 2023) issued and outstanding stock options.

The following is a summary of stock option activities for years ended June 30, 2024 and 2023:

	Year ended June 30, 2024		Year ended June 30, 2023	
	Number of stock options	**Weighted average exercise price (C$)**	**Number of stock options**	**Weighted average exercise price (C$)**
Options, beginning of period	23,300,000	0.12	17,525,000	0.13
Granted	16,250,002	0.07	13,300,000	0.10
Expired	-	-	(7,525,000)	0.12
Options, end of period	**39,550,002**	**0.10**	**23,300,000**	**0.12**

(in US dollars)

Stock options issued and outstanding as at June 30, 2024 are as follows:

Grant date	Number of stock options	Weighted average exercise price (C$)	Remaining contractual life (years)	Number of exercisable options	Weighted average exercise price of exercisable options (C$)
December 16, 2021	3,500,000	0.11	2.5	3,500,000	0.11
February 24, 2022	6,500,000	0.15	2.7	6,500,000	0.15
July 25, 2022	13,300,000	0.10	5.1	9,800,000	0.10
October 13, 2023	16,250,002	0.07	6.3	5,416,667	0.07
	39,550,002	**0.10**	**5.0**	**25,216,667**	**0.11**

The fair value of the options granted during the year was estimated at CA$0.06 (year ended June 30, 2023 – CA$0.10) per option by applying the Black-Scholes option pricing model, using an expected life of 7 years (year ended June 30, 2023 – 7 years), a risk-free interest rate of 3.78% (year ended June 30, 2023 – 2.92%), a volatility rate of 88.71% and a 0% dividend factor (year ended June 30, 2023 – 94.74% and 0%).

10. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses during the years ended June 30, 2024 and 2023:

	Years ended June 30 **2024**	2023
Labour	**$ 2,228,092**	$ 1,979,505
Excavation and site works	**7,174,185**	-
Studies	**-**	2,083,785
Office, overhead and other administrative costs	**345,930**	609,585
	$ 9,748,207	$ 4,672,875

11. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses during the years ended June 30, 2024 and 2023:

	Years ended June 30 **2024**	2023
Administrative and general	**$ 1,542,604**	$ 618,677
Office	**173,985**	199,120
Professional fees	**855,501**	1,055,952
Investor relations and travel	**388,305**	325,603
	$ 2,960,395	$ 2,199,352

(in US dollars)

12. INCOME TAXES

The income tax provision differs from the amount resulting from the application of the combined Canadian statutory income tax rate as follows:

	Year ended 2024		Year ended 2023	
Income (loss) before income tax	**$ 25,171,016**		$ (6,803,987)	
Tax using the Company's domestic tax rate	**6,670,319**	**26.50%**	(1,803,057)	26.50%
Increase (decrease) resulting from:				
Stock-based remuneration	**187,829**	**0.75%**	222,216	(3.27%)
Non-deductible expenses and non-taxable revenues	**19,262**	**0.08%**	1,130	(0.02%)
Effect of tax rate in foreign juridictions	**(217,253)**	**(0.86%)**	29,648	(0.44%)
Variation of unrecognized tax assets	**699,985**	**2.78%**	1,231,227	(18.10%)
Recognition of previously unrecognized deferred tax assets	**(6,832,099)**	**(27.14%)**	-	0.00%
True up and Others	**445,853**	**1.77%**	318,836	(4.69%)
Deferred income tax	**973,896**	**3.87%**	-	-

Recognized deferred tax assets and liabilities are attributable to the following:

			June 30, 2024
	Assets	**Liabilities**	**Net**
Capital assets	**85**	**-**	**85**
Investment in associates	**-**	**(3,842,801)**	**(3,842,801)**
Exploration and evaluation assets	**-**	**(1,851,794)**	**(1,851,794)**
Asset reitirement obligation	**290,595**	**-**	**290,595**
Advances in foreign currency	**-**	**(421,217)**	**(421,217)**
Non-capital loss carryforward	**4,861,114**	**-**	**4,861,114**
	5,151,794	**(6,115,812)**	**(964,018)**
Offsetting of tax assets and liablities	**(5,151,794)**	**5,151,794**	**-**
	-	**(964,018)**	**(964,018)**

			June 30, 2023
	Assets	Liabilities	Net
Exploration and evaluation assets	-	-	-
Advances in foreign currency	-	(501,592)	(501,592)
Non-capital loss carryforward	501,592		501,592
	501,592	(501,592)	-
Offsetting of tax assets and liablities	(501,592)	501,592	-
	-	-	-

(in US dollars)

Deductible temporary differences for which no deferred tax assets have been recognized are as follows:

Year ended June 30, 2024

	Canada	**USA**	**Total**
Non-capital loss carryforward	**18,096,831**	**-**	**18,096,831**
Capital assets	**238,132**	**-**	**238,132**
Exploration and evaluation assets	**1,512,134**	**-**	**1,512,134**
Asset retirement obligation	**-**	**-**	**-**
Financing expenses and other	**60,160**	**-**	**60,160**
	19,907,257	**-**	**19,907,257**

Year ended June 30, 2023

	Canada	USA	Total
Non-capital loss carryforward	18,088,273	33,642,696	51,730,969
Capital assets	245,354	18,426	263,780
Exploration and evaluation assets	1,606,129	-	1,606,129
Asset retirement obligation	-	1,939,141	1,939,141
Financing expenses and others	93,288	-	93,288
	20,033,044	35,600,263	55,633,307

Deferred tax assets have not been recognised in respect of these items because of the uncertainties that future taxable profit will be available against which the Company can utilise these benefits.

(in US dollars)

Non-capital losses expire as follows:

	USA	Canada
2026	**-**	**75,419**
2027	**-**	**87,916**
2028	**-**	**221,786**
2029	**-**	**393,287**
2030	**-**	**543,870**
2031	**-**	**694,742**
2032	**42,591**	**1,001,159**
2033	**841,758**	**70,272**
2034	**2,525,524**	**830,056**
2035	**-**	**1,801,402**
2036	**-**	**755,502**
2037	**-**	**1,569,921**
2038	**-**	**1,719,402**
2039	**-**	**1,426,668**
2040	**-**	**1,601,473**
2041	**-**	**1,480,270**
2042	**-**	**2,292,678**
2043	**-**	**2,306,996**
2044	**-**	**2,403,011**
	3,409,873	**21,275,830**

The Company also has non-capital losses available in the USA amounting to 13,847,807 with no expiry date. A deferred income tax asset is recognized on all of the USA non-capital losses ($0 in 2023). A deferred income tax asset on Canadian non-capital losses has been recognized for an amount of 3,178,999 ($1,892,800 in 2023).

13. EARNINGS PER SHARE

	Years ended June 30	
	2024	**2023**
Weighted average common shares outstanding		
Basic	**736,363,619**	736,363,619
Plus net incremental share from:		
Assumed conversion: stock option	**1,971,319**	-
Diluted weighted average common shares outstanding	**738,334,938**	736,363,619

The calculation of basic and diluted earnings (loss) per share for the year ended June 30, 2024 was based on net income attributable to common shareholders of $24,197,120 (a net loss of $6,803,987 in 2023) and the weighted average number of common shares outstanding of 738,334,938 (736,363,619 in 2023).

For periods where the Company records a loss, it calculates diluted loss per share using the basic weighted average number of shares. If the diluted weighted average number of shares were used, the result would be a reduction in the loss, which would be anti-dilutive. There are a total of 10,000,000 options which are anti-dilutive as at June 30, 2024.

(in US dollars)

14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company, including directors and officers. For the years ended June 30, 2024 and 2023, key management compensation comprises:

	Years ended June 30	
	2024	2023
Salaries, fees, bonuses, and termination payments	**$1,426,330**	$ 705,353
Share-based compensation	**707,431**	838,552
	$2,133,761	$1,543,905

15. SUPPLEMENTAL CASH FLOW INFORMATION

The non-cash financing activities not already disclosed in the consolidated statements of cash flows were as follows:

	Years ended June 30	
	2024	2023
Financing activities		
Loans and borrowings from Kinterra to fund White Pine cash calls	**$ 2,317,782**	$ -
Addition to asset retirement obligation	**1,184,752**	-
Addition to exploration and evaluation assets included in accounts payable and accrued liabilities	**-**	(1,000,000)

16. CAPITAL MANAGEMENT

The Company defines capital that it manages as loans and borrowings and shareholders' equity. When managing capital, the Company's objectives are a) to ensure the entity continues as a going concern; b) to increase the value of the entity's assets; and c) to achieve optimal returns to shareholders. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. As at June 30, 2024, managed capital was $52,709,154 ($27,979,764 at June 30, 2023).

The Company's properties are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flows. The Company intends to raise such funds as and when required to complete the exploration and development of its projects. The only sources of other future funds presently available to the Company are through the sale of equity capital of the Company, the sale by the Company of an interest in any of its properties in whole or in part or loans. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as on its business performance. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company in reasonable terms. There were no changes in the Company's approach to capital management during the year ended June 30, 2024. The Company is not subject to any externally imposed capital requirements as at June 30, 2024.

(in US dollars)

17. FINANCIAL RISK MANAGEMENT

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the financial objectives, policies and processes during the year ended June 30, 2024.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required for its continued operations. The Company generates cash flow only from its financing activities.

The following table summarizes the contractual maturities of the Company's financial liabilities as at June 30, 2024 and 2023:

June 30, 2024

	Carrying amount	**Settlement amount**	**Within one year**	**Two years**	**Over two years**
	$	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	**1,373,964**	**1,373,964**	**1,373,964**	**-**	**-**
Loans and borrowings	**2,383,329**	**2,866,570**	**-**	**-**	**2,866,570**
	3,757,293	**4,240,534**	**1,373,964**	**-**	**2,866,570**

June 30, 2023

	Carrying amount	Settlement amount	Within one year	Two years	Over two years
	$	$	$	$	$
Accounts payable and accrued liabilities	1,997,597	1,997,597	1,997,597	-	-
	1,997,597	1,997,597	1,997,597	-	-

Credit risk

Credit risk is the risk that the Company will incur losses due to the non-payment of contractual obligations by third parties. The Company is exposed to credit risk with respect to cash and cash equivalent held at major Canadian & US chartered banks, a regional US bank as well as the environmental bond (Note 5a).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash equivalents, environmental bond and the promissory note bear interest at a fixed rate.

The Company's exposure to interest rate risk on its long-term financial liabilities is limited because they bear interest at fixed rates.

Currency risk

In the normal course of operations, the Company is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of each of the entities within the consolidated group. The currencies in which these transactions are denominated are primarily the Canadian and the US dollar. The consolidated entity does not presently enter into hedging arrangements to hedge its currency risk. The Board considers this policy appropriate, considering the consolidated entity's size, current stage of operations, financial position and the Board's approach to risk management.

At June 30, 2024, financial assets and liabilities denominated in a foreign currency consisted of cash of CAD $417,243 as well as accounts payable and accrued liabilities of CAD $112,104. The impact on profit or loss of a 10% increase or decrease in the US dollar against the Canadian dollar would be approximately $40,000.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents and accounts payable and accrued liabilities is considered to be a reasonable approximation of their fair value due to their immediate or short-term maturity.

Fair value of environmental bond is very similar to the amortized cost due to the nature of the underlying asset. The carrying value of loans and borrowings is considered to be a reasonable approximation of its fair value. The loans and borrowings amount in the balance sheet represents the amount owing to Kinterra Capital ("Kinterra Loan"). The Kinterra loan is a transaction negotiated between two informed unrelated parties; therefore, the transaction price represents fair value of the transaction.

(in US dollars)

19. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties in Michigan, USA. Assets are located as follows:

As at June 30, 2024	**Canada**	**USA**	**Total**
Current assets	**$ 1,348,137**	**$ 19,364,432**	**$ 20,712,569**
Environmental bond	**-**	**2,351,632**	**2,351,632**
Investment in associate	**-**	**16,040,034**	**16,040,034**
Exploration and evaluation assets	**-**	**19,520,861**	**19,520,861**
Total assets	**$ 1,348,137**	**$ 57,276,959**	**$ 58,625,096**

As at June 30, 2023	**Canada**	**USA**	**Total**
Current assets	6,946,673	222,169	7,168,842
Environmental bond	-	613,633	613,633
Capital assets	-	20,037	20,037
Exploration and evaluation assets	-	24,113,990	24,113,990
Total assets	$ 6,946,673	$ 24,969,829	$ 31,916,502

20. SUBSEQUENT EVENT

Subsequent to the year end, the Company issued 8,075,000 incentive stock options, 2,244,242 Restricted Share Units and 1,812,500 Deferred Share Units to directors, executive officers and employees of the Company. The options are exercisable at an exercise price of $0.12 per share for a period of up to five years and will vest as to one third immediately and one third on each of the first and second anniversary of the grant. The Restricted Share Units and Deferred Share Units will vest as to one third on each of the first, second and third anniversary of the grant.

Highland Copper

Management's Discussion and Analysis

For the years ended June 30, 2024

In US dollars

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

This management discussion and analysis ("MD&A") of financial position and results of operations of Highland Copper Company Inc. ("Highland" or the "Company") is prepared as of August 27, 2024 and should be read in conjunction with the Company's consolidated financial statements for the year ended June 30, 2024.

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in US dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca and on the Company's website, www.highlandcopper.com.

DESCRIPTION OF BUSINESS

Highland and its subsidiaries are engaged in the acquisition, exploration, and development of mineral properties. The Company's principal projects are Copperwood**,** a feasibility stage copper project, and White Pine North (34% interest)**,** an advanced exploration stage copper project, both located in the Upper Peninsula region (the "U.P.") of the State of Michigan, USA. Copperwood is anticipated to produce approximately 30,000 tons of copper per year for 11 years, with potential upside from the inferred tonnage[1]. Copperwood is permitted for site development and operation. White Pine North is a joint project with Kinterra Copper USA, LLC ("Kinterra"), who is also the operator of the project. White Pine North is anticipated to produce approximately 42,000 tons of copper per year for more than 20 years[2].

Highland is a Canadian-based company, incorporated under the *Business Corporations Act (British Columbia)* in 2006. Highland's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "HI" and on the OTCQB Venture Marketplace (the "OTCQB") under the symbol "HDRSF". As of June 30, 2024, the Company has 736,363,619 common shares issued and outstanding. Orion Resource Partners, Condire Investors LLC, and Greenstone Resources II LP hold respectively 27.7%, 16.2% and 15.9% of the Company's issued and outstanding common shares.

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[1] See the NI 43-101 technical report entitled "Feasibility Study Update Copperwood Project Michigan, USA" with an issue date of April 20, 2023, prepared for the Company by G Mining Services Inc. and available under the Company's profile on SEDAR+, for the assumptions, risks and analysis underlying anticipated production at the Copperwood Project (the "Copperwood Project Feasibility Study").
[2] See the NI 43-101 technical report entitled "Preliminary Economic Assessment White Pine North Project Michigan, USA" with an issue date of September 7, 2023, prepared for the Company by G Mining Services Inc. and available on SEDAR+, for the assumptions, risks and analysis underlying anticipated production at the White Pine North Project.

ANNUAL HIGHLIGHTS

Copperwood Project ("Copperwood")

- The Company initiated early site preparation work in 2023 to advance stream relocation and wetland mitigation structures. The work is required to maintain permits in good standing. The project is progressing as planned and is anticipated to be completed by the fourth quarter of 2024.
- On March 26, 2024, after a thorough review of the Company's permitted Copperwood Project, the Michigan Strategic Fund Board unanimously approved a performance-based grant of $50 million from the Strategic Site Readiness Program ("SSRP"). In May, Highland presented the merits of Copperwood to the Appropriations Committees at both the Michigan House and Senate. The transfer of funds for the proposed $50 million Michigan Economic Development Corporation State grant has received approval from the Appropriations Committee at the Michigan House and is now pending final approval from the Appropriations Committee at the Michigan Senate.
- On November 29, 2023, the Company announced the results of the Economic Contribution Analysis for the Copperwood Project conducted by Public Sector Consultants ("PSC") out of Lansing, Michigan. The study demonstrates the potential economic contributions of the Copperwood Project to the local Upper Peninsula communities and State of Michigan through job creation, indirect economic activity, and taxes to support local infrastructure.

White Pine North Project ("White Pine North" or "White Pine")

- In July 2023, the Company issued an updated Preliminary Economic Assessment ("PEA") on White Pine North dated effective July 12, 2023 (posted to SEDAR on September 7, 2023). The PEA demonstrates the economic strength of this long-lived project.
- On July 24, 2023, Highland announced Kinterra as a partner on the project. Kinterra brings additional financial and technical strength required to progress the White Pine project through to development. Kinterra made a cash payment of $30 million to Highland for a 66% stake in the White Pine North project. Additionally, the parties agreed to an Initial Program and Budget to advance the project through permitting, infill drilling and feasibility study. Highland's 34% stake of White Pine remains significant to its overall asset value. After the transaction, Kinterra became the operator of the White Pine project.
- In March 2024, the parties have successfully completed its winter drilling program at White Pine North. The goal of the drilling program was primarily to collect samples for geotechnical and metallurgical testing to support Feasibility Study work. The program ran from mid-January 2024 through March 2024 and was completed as planned, drilling a total of 6,593 meters in 10 holes focusing on the first ten years of the mine plan area.
- In June 2024, Kinterra initiated a second drill program of approximately 14,500 metres to collect samples for engineering study test work, in addition to assaying for the purposes of a resource update. The parties also initiated key engineering trade-off studies and environmental baselining at White Pine.

Corporate Activities

- On February 22, 2024, the Company announced the appointment of Barry O'Shea as Chief Executive Officer. Mr. O'Shea was also appointed to Highland's Board of Directors. Mr. O'Shea joined Highland

Copper in February 2022 as the Company's Chief Financial Officer.

- On November 20 2023, the Board appointed Cybill Tsung as the Company's interim CFO. Ms. Tsung was appointed to the CFO role on a full-time basis in August 2024.
- Subsequent to the year end, the Company issued 8,075,000 incentive stock options, 2,244,242 Restricted Share Units and 1,812,500 Deferred Share Units to directors, executive officers and employees of the Company. The options are exercisable at an exercise price of $0.12 per share for a period of up to five years and will vest as to one third immediately and one third on each of the first and second anniversary of the grant. The Restricted Share Units and Deferred Share Units will vest as to one third on each of the first, second and third anniversary of the grant.
- The Company realized a net income of $25.2 million for the year ended June 30, 2024 ($0.03 per share) compared to net loss of $7.1 million during the comparative period in 2023 ($(0.01) per share).
- As at June 30, 2024, the Company had working capital (total current assets less total current liabilities) of $19.3 million.

PROJECT UPDATES

Copperwood Project

The Copperwood project is Highland's 100%-owned, fully-permitted copper project in the Upper Peninsula, Michigan, USA. The Copperwood Feasibility Study issued in April 2023 demonstrated a project producing 64.6 million pounds of copper annually (approximately 30 thousand tonnes) over an initial 11-year mine life. Notably, the project has significant leverage to copper price and multiple opportunities to improve project economics, particularly converting its significant inferred resource (which is excluded from Feasibility Study economics).

Table 1 – Metal Price Sensitivities – After-Tax Results[1]

Cu Price ($/lb)	NPV 0% ($M)	NPV 8% ($M)	IRR (%)	Payback (years)
5.00	1,013	507	33.4	2.0
4.50	729	333	25.6	2.5
4.25	587	246	21.4	2.9
4.00	456	168	17.6	3.5
3.75	308	75	12.4	4.4

[1] Source: Technical report entitled "Feasibility Study Update Copperwood Project Michigan, USA" with an effective date of March 6, 2023 prepared for Highland by G Mining Services available at www.sedarplus.ca (the "Copperwood Technical Report").

Early Site Work

In the fall of 2023, Highland completed certain pre-construction activities including site clearing and grubbing focused on wetland and stream areas, the development of stream relocation infrastructure, improvements to existing site roads, and the initiation of key environmental mitigation projects.

During the current construction season, which spans from May to November 2024, the Company continues to leverage its successful 2023 and early 2024 site works efforts under the Wetlands and Streams Permit, authorized by the Michigan Department of Environment, Great Lakes, and Energy ("EGLE"), as it progresses with essential initiatives within the Copperwood Project. These endeavours encompass a range of activities, including the continuation of the stream relocation project, involving a shift of focus from intensive earthworks to the implementation of in-stream structures and the creation of approximately 4 acres of emergent wetlands along the stream. Additionally, the Company is dedicated to finalizing its onsite wetland mitigation project including significant earth excavation, which upon completion will result in the establishment of 14.3 acres of wetlands, culminating in a total of 18.3 acres of newly created emergent wetlands on-site. Concurrently, off-site activities for stream mitigation are slated to commence this construction season, most notably the replacement of a restrictive multi-culvert stream crossing with a single-span crossing, a measure designed to significantly enhance fish and wildlife passage.

The site work satisfies key obligations under the Wetland and Streams Permit, maintaining permits in good standing, in addition to establishing operating presence and spending a portion of initial capital.

Highland intends on initiating detailed engineering and project financing in 2024 as it proactively advances Copperwood toward a construction decision. Copperwood remains one of few fully-permitted copper projects in the US and stands ready to take advantage of strong long-term copper fundamentals.

Application for Government Grant

On March 26, 2024, the Company announced that the Michigan Strategic Fund Board had unanimously approved a performance-based grant of $50 million from the Strategic Site Readiness Program for the Copperwood Project. During May 2024, Highland was invited to present the merits of Copperwood to the Appropriations Committees at both the Michigan House and Senate. The transfer of funds for the proposed $50 million grant has received approval from the Appropriations Committee at the Michigan House and is now pending final approval from the Appropriations Committee at the Michigan Senate.

The Copperwood Project is strongly aligned with Michigan’s focus on mobility and electrification and has the potential to be a key source of U.S. domestic copper to supply the ongoing clean energy transition. The transfer of funds is pending final approval from the Appropriations Committee at the Michigan Senate.

The SSRP program is funded through the Strategic Outreach and Attraction Reserve Fund (“SOAR”) and provides economic assistance for the purpose of creating investment-ready sites to attract and promote investment in the state. The grant award comes after a thorough review of the Copperwood Project by the state of Michigan and the Company’s demonstration of the importance of the Project’s development to the Upper Peninsula. The grant funds will be in the form of performance-based reimbursements for eligible activities relating to infrastructure development, most notably expenditure on roads, communications infrastructure and bringing power to site. The infrastructure improvements supported by the grant will provide benefits to the surrounding communities and businesses, both during the operations and in the long-term.

The Copperwood Project team has been working alongside local and regional community groups, government representatives and regulatory bodies in the Upper Peninsula for over a decade. Transparent and regular communications are central to the Company's values and have resulted in strong support for the project throughout this application process. In addition to the 22 formal resolutions of support and approximately 10 letters of support that accompanied the grant application, more than 20 local community members and representatives participated in the MSF Board meeting and provided public comment in support of the project, speaking to its importance for the region.

The Western Upper Peninsula has suffered industry closures in the past decades that took their toll on the local economy. The return of mining to the area is seen as an opportunity for significant economic uplift and can become a transformative catalyst to renewed industrial investments in the area that will support the regional economy for the decades to come. In addition, the potential creation of approximately 380 long-term, family sustaining jobs as well as substantial direct, indirect and induced economic benefits from additional spending in the area, can play a role in kickstarting a new chapter of prosperity for the Western Upper Peninsula.

White Pine North Project

In July 2023, the Company issued a Preliminary Economic Assessment[3] for White Pine reflecting a 22-year mine life with average annual payable copper production of 93.5 million pounds (approximately 42 thousand tonnes). In the same month, Highland introduced Kinterra as a partner on the project. Kinterra brings additional financial and technical strength required to progress the project through to development. Kinterra made a cash payment of $30 million to Highland for a 66% stake in the White Pine North project. Additionally, the parties agreed to an Initial Program and Budget to advance the project through permitting, infill drilling and feasibility study, with Kinterra making available to Highland a three year loan facility that the Company can draw on to finance its proportionate share of expenditures . Key White Pine updates for the year ended June 30, 2024 include:

- In January 2024, White Pine concluded a winter drill program of 10 holes or approximately 6,600 metres. The primary goal of the drill program was to collect ore samples for geotechnical and metallurgical testing to support further engineering studies.

- In May 2024, White Pine initiated a second drill program expected to be approximately 14,500 metres. This program will continue to collect sample for engineering study test work and will also be assayed for the purposes of a resource update.

- Geotechnical test work has been initiated on samples collected to date and will continue with the second drill program samples. Engineering trade-off studies are underway to evaluate mining methods, mine access options, and material handling systems.

[3] *The preliminary economic assessment is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Information regarding the basis for the preliminary economic assessment and the qualifications and assumptions relied upon, are set out in detail in the report entitled Preliminary Economic Assessment, White Pine North Project, Michigan, USA" dated September 7, 2023 available under Highland's profile on SEDARPlus (the "White Pine Technical Report").*

- Metallurgical test work has been initiated to focus on comminution tests, flotation, grind size variability, flow sheet development options, and metal recoveries.

- Environmental baseline studies have been initiated including surface water flow and water quality monitoring, groundwater elevation and water quality monitoring, aquatic habitat, threatened and endangered species, wetlands and streams, wildlife habitat, and archaeological and cultural surveys. Baselining is a key initial step to support permit applications.

- Highland is funding its share of joint venture expenditures on White Pine by drawing down on the loan facility provided by Kinterra.

OUTLOOK

For the upcoming year, the Company will continue to proactively advance Copperwood toward a construction decision. The key strategic initiatives to support the advancement include:

- Successfully completing the early site work in 2024 to maintain permits in good standing;
- Continue to derisk the project in high priority areas;
- Staffing for potential development;
- Securing state funding;
- Preparing for detailed engineering.

At White Pine, we will continue to work alongside Kinterra in advancing the White Pine North project through permitting and feasibility study.

As of June 30, 2024, Highland Copper has $2.4 million outstanding loan payable to Kinterra representing the draw down on the facility provided by Kinterra to fund Highland's share of total expenditures. The Company has available working capital (total current assets less total current liabilities) of approximately $19.3 million as at June 30, 2024.

The Company is subject to a number of risks and uncertainties associated with its future exploration and development activities. The recovery of amounts recorded for exploration and evaluation assets depends on the ability of the Company to obtain the necessary financing to complete the development of the projects, and future profitable production from the projects or proceeds from their disposition thereof.

To date, the Company has not yet generated positive cash flows from its operating activities and it is in the exploration and development stage. The Company has a deficit of $48,633,682 at June 30, 2024 (a deficit of $72,830,802 at June 30, 2023). At June 30, 2024, the Company has working capital (total current assets less total current liabilities) of $19,328,726 ($5,171,245 at June 30, 2023). The Company has relied upon external financings, primarily through the issuance of equity, as well as proceeds from the disposal of exploration and evaluation assets, to fund its operations in the past. Since the Company does not generate revenues, the Company will need to obtain additional funds through the issuance of shares, the exercise of share options or from other sources to pursue its operations and meet its obligations related to the development of the Copperwood and White Pine North projects beyond the [current] fiscal year. Despite the fact that it has been able to raise funds in the past, there is no guarantee of success for the future. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The conditions and uncertainties described above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for the consolidated financial statements, adjustments which could be material would be necessary to the carrying value of assets and liabilities and reported expenses.

The Company estimates that the current working capital will be sufficient: (i) to provide for management and administration expenses for at least the next 12 months; (ii) complete the require site works at Copperwood to meet permit obligations; and (iii) meet its White Pine North cash call obligations over the next 12 months.

SCIENTIFIC AND TECHNICAL INFORMATION

The scientific and technical information related to Highland's mineral properties set out in this MD&A has been reviewed and approved by Michael J. Foley, P.Eng., a qualified person as defined in NI 43-101.

SELECTED ANNUAL INFORMATION

The following table provides information for the years ended June 30, 2024 and 2023. This information should be read in conjunction with the Company's June 30, 2024 and 2023 consolidated financial statements.

Financial Position		**June 30, 2024**		June 30, 2023
Cash	**$**	**20,262,813**	$	7,030,317
Investment in associate		**16,040,034**		-
Exploration and evaluation assets		**19,520,861**		24,113,990
Total assets		**58,625,096**		31,916,502
Shareholders' equity		**52,709,154**		27,979,764

Comprehensive Income (Loss)		**Year ended June 30, 2024**		Year ended June 30, 2023
Net income (loss) for the year	**$**	**24,197,120**	$	(6,803,987)
Basic and diluted earnings (loss) per share		**0.03**		(0.01)

Cash Flows				
Operating activities	**$**	**(11,822,844)**	$	(6,415,223)
Investing activities		**25,100,616**		613,734

SELECTED QUARTERLY INFORMATION

The following table provides information for the eight fiscal quarters ended June 30, 2024:

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Exploration and evaluation expenditures	$ 1,541,989	$ 248,435	$ 3,211,949	$ 4,745,834
Net loss (income)	3,396,497	1,870,105	4,873,235	(34,336,957)
Loss per share - basic and diluted	0.00	0.00	0.01	(0.05)

	June 30, 2023 2023	March 31, 2023	December 31, 2022	September 30, 2022
Exploration and evaluation expenditures	$ 1,272,006	1,615,948	1,167,075	617,846
Net loss	2,259,526	2,130,147	1,906,474	1,000,382
Loss per share - basic and diluted	0.01	0.01	0.00	0.00

The changes in the Company's financial results on a quarter-by-quarter basis are primarily due to fluctuations in the activity level of the Company's exploration and evaluation programs, project acquisitions, and corporate functions. The Company is a mineral exploration and development company and does not currently generate operating revenue.

The exploration and evaluation expenditures for the quarters ended June 30, 2024, December 31 and September 30, 2023, included costs relating to the early site work conducted at the Copperwood Project required for the Wetlands and Streams Permit. The first phase of the work was completed in the fall of 2023. No site work was carried out during the winter months. The Company re-initiated the second and final phase of the stream and wetland mitigation work in May 2024. The work is expected to be completed by November 2024.

In the quarter ended September 30, 2023, the Company completed the sale of controlling interest in White Pine Copper, LLC to its partner Kinterra, resulting in a gain of $39,521,720 for the period.

RESULTS OF OPERATIONS

	Three months ended June 30, 2024	Three months ended June 30, 2023	Years ended June 30, 2024	Years ended June 30, 2023
Exploration and evaluation	**$ 1,541,989**	$ 1,272,006	**$ 9,748,207**	$ 4,672,875
Management and administration	**466,971**	779,227	**2,960,395**	2,199,352
Depreciation and amortization	**-**	8,705	**1,289**	17,030
Share-based compensation	**111,799**	141,291	**707,431**	838,552
Gain on sale of controlling interest in White Pine	**-**	-	**(39,521,720)**	-
Accretion on environmental liability	**-**	(660)	**-**	4,142
Share of loss in associates	**337,401**	-	**1,902,293**	-
Finance income	**(347,626)**	(85,836)	**(904,573)**	(241,259)
Interest expense on Kinterra loan	**65,547**	-	**65,547**	-
Gain on settlement of accounts payable	**-**	(492,538)	**-**	(492,538)
Loss (gain) on foreign exchange	**246,520**	144,793	**(129,885)**	(194,167)
Income tax expense	**973,896**	-	**973,896**	-
Net (loss) income for the period	**$ (3,396,497)**	$ (1,766,988)	**$ 24,197,120**	$ (6,803,987)

Results of operations for the three months ended June 30, 2024 (“Q4 2024”) compared to the three months ended June 30, 2023 (“Q4 2023”) and year ended June 30, 2024 (“YTD 2024”) compared to the year ended June 30, 2023 (“YTD 2023”) are as follows:

Exploration and evaluation expenditures

Exploration and evaluation expenditures remained consistent in Q4 2024 compared to Q4 2023. The increase in exploration and evaluation expenditures of $5.0 million in YTD 2024 compared to YTD 2023 is mainly attributable to the increase in excavation and site works of $7.2 million due to the early site work conducted at Copperwood started in the fall of 2023. The work was required to maintain the Copperwood permits in good standing. This was offset by a decrease in evaluation studies by $2.2 million since the studies were completed in the prior year.

Management and administration

Management and administration expenditures decreased by $0.3 million in Q4 2024 compared to Q4 2023 primarily due to a decrease in professional fees. The increase of $0.8 million in YTD 2024 compared to YTD 2023 is primarily due to termination payments incurred with change in management and increased professional fees associated with increased corporate activities.

Gain on sale of controlling interest in White Pine

In the quarter ended September 30, 2023, the Company completed the sale of a controlling interest in White Pine Copper, LLC to its partner Kinterra, resulting in a gain of $39,521,720 for the period.

Share of loss in associates

The Company accounts for its 34% interest in the White Pine North Project using the equity method. The amount recognized as 'share of loss in associate' for the period represents the Company's share of White Pine's loss incurred during Q4 2024 and YTD 2024.

Finance income

Finance income represents interest earned on the Company's cash and cash equivalents. The increase in finance income during Q4 2024 and YTD 2024 compared to same periods last year is a result of higher interest rate and higher cash and cash equivalent balances during the year ended June 30, 2024.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2024, the Company had working capital (total current assets less total current liabilities) of $19,328,726 compared to $5,171,245 at June 30, 2023. The increase in working capital during the year ended June 30, 2024, is mainly attributable to the sale of the Company's controlling interest in the White Pine North Project for gross proceeds of $30 million. Uses of cash during the year ended June 30, 2024 included funding the early site work at the Copperwood Project and corporate activities.

The Company will continue to fund its portion of the White Pine North Project by drawing on the unsecured loan provided by its partner Kinterra.

The Company currently has no source of operating cash flow. Continuance as a going concern is dependent upon the Company's ability to obtain adequate equity or debt financing, or, alternatively, dispose of its non-core properties on an advantageous basis, among other things. While the Company has been successful in the past in obtaining financing for its operations, there is no assurance that it will be able to obtain adequate financing in the future, and as a result, a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

CAPITAL MANAGEMENT

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flows. The Company intends to raise such funds as and when required to complete the exploration and development of its projects. The only sources of other future funds presently available to the Company are through the sale of equity capital of the Company, the sale by the Company of an interest in any of its properties in whole or in part or shareholder loans. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as on its business performance. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company in reasonable terms. There were no changes in the Company's approach to capital management during the year ended June 30, 2024. The Company is not subject to any externally imposed capital requirements as at June 30, 2024.

OFF BALANCE-SHEET ARRANGEMENTS

During the period ending June 30, 2024, the Company was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, capital expenditures, liquidity, or capital resources of the Company.

RELATED PARTY TRANSACTIONS

Key management personnel are people responsible for planning, directing, and controlling the activities of the Company, including directors and officers. For the years ended June 30, 2024 and 2023, key management compensation comprises:

	Three months ended		Years ended June 30	
	2024	2023	**2024**	2023
Salaries, fees, bonuses, and termination payments	**$ 175,349**	$181,288	**$ 1,426,330**	$ 705,353
Share-based compensation	**111,799**	141,291	**707,431**	838,552
	$ 287,148	$322,579	**$ 2,133,761**	$1,543,905

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 736,363,619 common shares, 47,625,002 stock options, 1,812,500 Deferred Share Units and 2,244,242 Restricted Share Units outstanding.

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The Company's consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The accounting policies, methods of computation and presentation applied in the Company's consolidated financial statements are consistent with those of the previous year. The significant accounting policies of Highland are presented in Note 4 of the June 30, 2024 consolidated financial statements filed on SEDAR.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. These estimates, judgments and assumptions are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, include title to mineral property interests, exploration and evaluation assets, fair value of liabilities, going concern and environmental liabilities. Details of the significant accounting judgments and estimates are presented in Note 4 of the June 30, 2024 consolidated financial statements filed on SEDAR.

FINANCIAL RISK FACTORS

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include liquidity risk, credit risk, interest rate risk and currency risk. Where material, these risks are reviewed by the Board of Directors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has no history of earnings and has limited financial resources. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required for its continued operations.

The following table summarizes the contractual maturities of the Company's financial liabilities at June 30, 2024:

June 30, 2024

	Carrying amount	Settlement amount	Within one year	Two years	Over two years
	$	$	$	$	$
Accounts payable and accrued liabilities	**1,373,964**	**1,373,964**	**1,373,964**	**-**	**-**
Loans and borrowings	**2,383,329**	**2,866,570**	**-**	**-**	**2,866,570**
	3,757,293	**4,240,534**	**1,373,964**	**-**	**2,866,570**

June 30, 2023

	Carrying amount	Settlement amount	Within one year	Two years	Over two years
	$	$	$	$	$
Accounts payable and accrued liabilities	1,997,597	1,997,597	1,997,597	-	-
	1,997,597	1,997,597	1,997,597	-	-

Credit risk

Credit risk is the risk that the Company will incur losses due to the non-payment of contractual obligations by third parties. The Company is exposed to credit risk with respect to cash which is mainly held in accounts with a major Canadian-based chartered bank.

Interest Rate Risk

The Company's interest rate risk relates to cash and the promissory note. As at June 2024, the Company has $2,383,329 of loans due to Kinterra.

Currency Risk

In the normal course of operations, the Company is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of each of the entities within the consolidated group. The currency in which these transactions are denominated are primarily the

Canadian and the US dollars. The consolidated entity does not presently enter into hedging arrangements to hedge its currency risk. The Board of Directors considers this policy appropriate, taking into account the consolidated entity's size, current stage of operations, financial position and the Board's approach to risk management.

At June 30, 2024, financial assets and liabilities denominated in a foreign currency consisted of cash of $417,243 as well as accounts payable and accrued liabilities of $112,104. The impact on profit or loss of a 10% increase or decrease in the US dollar against the Canadian dollar would be approximately $40,000.

OTHER RISKS AND UNCERTAINTIES

The Company is subject to a number of significant risks and uncertainties due to the nature of its business which includes the acquisition, exploration and development of mineral projects. Failure to successfully address such risks and uncertainties could have a significant negative impact on the Company's overall operations and financial condition and could materially affect the value of the Company's assets and impact its future operating results and business plans. Therefore, an investment in the securities of Highland involves significant risks and should be considered speculative. The risks and uncertainties described below are not necessarily the only ones that the Company could be facing. Additional risks or uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. The Company cannot give assurance that it will successfully address these risks. Readers should carefully consider these risks and uncertainties.

Requirement for additional capital

The ability of the Company to achieve its plans and objectives is dependent on its ability to raise sufficient amount of capital through equity financings, debt financings, joint venture, sale of projects and / or other means. The Company will need substantial amount of funds to develop its Copperwood Project and to place it into commercial production. If adequate financing is not available, the construction of a mine and the commencement of production may be delayed indefinitely. The Company will also require substantial funds to maintain its interest in White Pine North through its development and ultimately to production, assuming that project is determined to be feasible. If the Company is unable to fund its proportionate share of exploration and development expenditures on White Pine North, its interest in the White Pine North project will be diluted.

The Company's ability to raise additional funds will depend on a number of factors including the market's perception of its mineral projects, the results of the studies and work programs on the projects, the price of and demand for copper and other metals, the state of the capital market to finance mineral resource projects and global market conditions in general, social acceptability for the development of the projects and regulatory approvals. No assurance can be given that additional capital will be available at all or available on terms acceptable to the Company.

Other Company Specific Risks

- The mineral resources and/or mineral reserves of the Copperwood and White Pine North deposits are estimates and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. Actual recoveries of copper and silver from a deposit may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade or stripping ratio may affect the economic viability of those projects. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

- The market price of Highland's common shares, the Copperwood resource and reserve estimates, the assumptions used in the Copperwood feasibility study and in the White Pine PEA, and Highland's ability to complete a financing may be significantly and adversely affected by various factors including a decline in the price of copper. Copper prices are volatile and can be affected by many factors beyond the control of Highland, including, amongst others: changes in supply and demand, speculative activities, international economic conditions, political conflicts and wars. The price of copper has fluctuated widely in the past.

- Putting a mining project into production requires substantial planning and expenditures and, while members of the Company's management have mine construction and operating experience, as a corporation, the Company does not have any experience in taking a mining project to production; as a result, the Company's future success is more uncertain than if it had a proven history of mine construction and operation.

- In Michigan, mineral rights are property rights that can be sold, transferred or leased. The Company has taken steps to verify title with respect to its most material mineral properties. Although the Company believes that titles are in good standing there is no guarantee that title to such mineral properties will not be challenged or impugned.

- The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, occupational health, waste disposal, safety and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations which would result in environmental pollution. A breach of such legislation by the Company may result in the imposition of fines and penalties which can be substantial.

- The Company is subject to environmental risks and most particularly as it relates to the White Pine North Project which is subject to a consent decree; as part of the acquisition of the White Pine North Project, the Company has assumed environmental responsibilities and risks related to the former White Pine mine site which Highland may be unable or choose not to insure.

- Necessary permits to operate may not be granted or may be granted later than anticipated.

- The executive officers, directors, and several shareholders of Highland (including Orion, Condire and Greenstone) and their affiliated entities together beneficially own a majority of Highland's outstanding common shares. As a result, these shareholders, if they act together or in a block, could have significant influence over most matters that require shareholder approval, including the election of directors and approval of significant corporate transactions, even if other shareholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of Highland that other shareholders may view as beneficial.

- It may be difficult for the Company to find and hire qualified people in the mining industry currently residing in Michigan or to obtain all of the necessary services or expertise to conduct operations in Michigan. The Company may need to obtain the services of qualified people located outside of the USA which would require work permits and compliance with applicable laws and could result in delays and higher costs.

- The Company faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources.

- Future issuance of common shares into the public market may result in dilution to the existing shareholders.

- Certain directors and senior officers of the Company also serve as officers and/or directors of other mineral resource companies, which may give rise to conflicts.

Industry Risks

- Mineral exploration and development is a high risk, speculative business. Few properties that are explored are ultimately developed into producing mines.

- Development projects are uncertain and actual capital and operating costs and economic returns may differ significantly from those estimated for a project prior to production. The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future metals prices, and anticipated capital and operating costs of these projects. Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tonnes of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labour, costs of processing and refining facilities, availability of economic sources of power, permitting of third party power sources if needed, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, and the environment), fluctuations in metals prices, and accidents, labour actions and force-majeure events. It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for a project will differ from estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, estimates.

- Environmental legislation is evolving in the direction of stricter standards and enforcement, higher fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Compliance with changing environmental laws and regulations may require significant capital outlays, including obtaining additional permits, and may cause material changes or delays in, or the cancellation of, operations.

- Current economic uncertainties globally have created market volatility and risk aversion among investors, limiting capital raising options in the mining sector.

- Social and environmental groups may be opposed to the development of mining projects.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect expectations or beliefs of the Company's management regarding future events. Forward-looking statements include but are not limited to statements with respect to: (i) funding requirements to explore and develop the Copperwood and White Pine North projects; (ii) the estimation of mineral resources and mineral reserves at the Company's mineral projects; (iii) the timing and cost of the construction of the Copperwood Project; (iv) the timing and amount of estimated future production, costs of production and capital expenditures for both the Copperwood and White Pine North projects; (v) the Company's ongoing and proposed activities at Copperwood and the White Pine project's ongoing and anticipated activities at White Pine North ; (vi) the projected employment for both construction and operation of the Copperwood Project; (vii) the anticipated economic benefits to the local and state economies resulting from the construction and operation of the Copperwood Project; (viii) the timing of completion of, anticipated size of, and expected results of, the summer drill program for the White Pine North Project; (xix) the anticipated approval of the grant from the Michigan Strategic Fund ("MSF") Board; and (x) the Company's other plans and objectives.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including "anticipation", "plan" and "expected".

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to: (i) the Company's ability to raise capital necessary to maintain and to advance its mineral projects; (ii) risks related to the volatility in future prices of copper and other metals which may have a negative impact on the Company's share price or ability to raise funds capital; (iii) the accuracy of mineral resource and mineral reserve estimates, and any inaccuracy of the assumptions used in preparing the Copperwood Feasibility Study, the White Pine North PEA, and the PSC report; (iv) increased operating and capital costs which could negatively impact not only the Company's operations, but also the results of the Copperwood Feasibility Study and the White Pine North PEA; (v) the impact of inflation on project costs and budgets for 2025 and beyond; (vi) changes to governmental regulations, compliance with governmental regulations and environmental laws and regulations; (vii) reliance on approvals and permits from governmental authorities and the ability of the

Company to maintain state permits for Copperwood, or for the White Pine project to obtain necessary permits at White Pine; (viii) challenges to title to the Company's mineral properties; (xix) the ability of the Company to maintain its social license to operate; (x) dependence on key management personnel; (xi) competition in the mining industry; (xii)the inability of the Company to insure against all risks; and (xii) inherent risks involved in the exploration, development and production of minerals, and the presence of unknown geological and other physical and environmental hazards at the Company's projects; as well as those factors detailed from time to time in the Company's interim and annual financial statements and MD&A, the Copperwood Feasibility Study and the White Pine North PEA, and the Company's annual information form (if applicable) all of which are, or will be, filed and available for review under the Company's profile on SEDAR+ at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual results, performance, or achievements to differ materially from those described in these forward-looking statements, there may be other factors that cause results, performance, or achievements not to be as anticipated, estimated or intended.

There can be no assurance that these forward-looking statements will prove to be accurate, as actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on these forward-looking statements.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING RESOURCE ESTIMATES

The resource estimates and other technical disclosure in this MD&A were prepared in accordance with National Instrument 43-101 adopted by the Canadian Securities Administrators ("NI 43-101") and the 2014 CIM Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Highland is not required to provide disclosure on its mineral properties in the form required by the United States Securities and Exchange Commission (the "SEC") as Highland is presently a "foreign issuer" under the U.S. Exchange Act. Accordingly, United States investors are cautioned that the disclosure Highland provides on its mineral properties in this MD&A and under its continuous disclosure obligations in Canada may be different from the disclosure that Highland would otherwise be required to provide as a U.S. domestic issuer.

United States investors are cautioned that while terms used under the SEC rules are "substantially similar" to CIM Definitions, there are differences in the definitions.

There is no assurance any resources and reserves that Highland reports as "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" and "proven mineral reserves" and "probable mineral reserves" under NI 43-101 would be the same had Highland prepared these estimates under the standards adopted by the SEC.

United States investors are also cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that we report in this AIF are or will be economically or legally mineable.

Further, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.