



Highland Copper Provides Update on Key Projects

September 14, 2022 – Longueuil, Quebec. Highland Copper Company Inc. (TSXV: HI, OTCQB: HDRSF) (“Highland Copper” or “Highland” or the “Company”) is pleased to provide an update on the status of its key projects.

Following the sale of its exploration properties, an equity raise of C\$26.0M in September last year, the appointment of six new directors with skills to support the Company’s experienced management team in the path towards construction and production, Highland Copper believes the time is right to develop the Copperwood and White Pine Projects in Michigan.

The fundamentals for copper remain strong in light of the high demand for electric vehicles and renewable energy, while the supply side struggles to keep up. The supply imbalance is particularly notable in the US where the State of Michigan is prioritizing funding for industries that support electrification.

Denis Miville-Deschênes, the President and CEO stated: “We like the location of our projects in the historic mining district of the Upper Peninsula, Michigan. We love the strong support we are getting from the surrounding communities and the State, and we will be relentless in our commitment to develop these long-lived assets, to create value and bring jobs for the benefit of all supporting communities, shareholders, and stakeholders.”

Corporate Update

The Company is increasing its efforts to develop its two 100%-owned projects as the best way to create value in the short term.

Copperwood and White Pine North both have significant contained copper resources totaling 4.8 billion pounds in the Measured and Indicated category (182.7 million tonnes at 1.20% copper grade)¹, and 3.5 billion pounds in the Inferred category (148.7 million tonnes at 1.08% copper grade). The two deposits are in sedimentary rock and through a flotation process would produce a clean concentrate that is attractive to various smelters and traders. Previous metallurgical tests have also indicated that the concentrate can be leached to produce copper cathodes at site which would be favourable from an Environmental, Sustainability and Governance (“ESG”) perspective.

The Company’s most advanced asset, the Copperwood project, has a Feasibility Study dated effective June 14, 2018 (posted to SEDAR on July 31, 2018). Copperwood is expected to produce approximately 30,000 tonnes of copper per year for 11 years. The production is generated from the mining and processing of 2.4 million tonnes per year at an average diluted grade of 1.43% copper grade (Source: Feasibility Study Copperwood Project Michigan, USA, dated effective June 14, 2018).

Per the Preliminary Economic Assessment (“PEA”) dated effective September 22, 2019 (posted to SEDAR on November 7, 2019), the White Pine project is expected to produce approximately 45,000 tonnes of copper per year for more than 20 years. The production is generated from mining and processing 5.4 million tonnes per year at an average diluted grade of 0.98% copper grade (Source: Preliminary Economic Assessment White Pine North Michigan, U.S.A. dated effective September 22, 2019)².

Copperwood Feasibility Study Update

In light of changes in the market and the industry in the last few years, the Company decided to update the previous Feasibility Study to reflect increases on many input costs for the capital expenditures needed for construction as well as for the operating expenditures to produce and transport concentrate.

At the same time, opportunities will be considered to mitigate cost increases to provide the Company with a plan to deliver on budget and on schedule. A key opportunity being assessed will be the inclusion of continuous miners to develop and produce in the underground mine. Highland will also assess the appropriate long-term copper price to use in the updated Feasibility Study, which is expected to be higher than the \$3.15 per pound used in the 2018 Feasibility Study. The applicability of ore sorting to eliminate waste from dilution and increase the grade at the plant is also under study.

All permits needed to start construction have been received and the project is currently awaiting an operating permit at the federal level for the construction and operation of a pumping station on Lake Superior. Highland is actively engaged with the US Army Corps of Engineers to assist with their approval of this final required permit.

The Company expects to issue the updated Feasibility Study before the end of the year.

White Pine North Update

The White Pine mine operated for approximately fifty years and produced more than 5 billion pounds of copper. This past activity provides good information on geology, mining and processing of the ore, which is of significant help in the design process and in the reduction of risk usually attributed to a new project.

Highland Copper believes that the opportunity at White Pine North is significant, as demonstrated by the 2019 PEA study. The continuity of the deposit considered in the PEA mine plan represents 133.4 million tonnes at 1.07% copper grade in the Measured and Indicated category and 97.2 million tonnes at 1.03% copper grade in the Inferred category.

The White Pine North project is robust enough to warrant pursuing a Feasibility Study. A drilling program will be conducted this coming winter with the goal of upgrading the Inferred resources into the Measured and Indicated category to be used in a Feasibility Study.

As a previous operating mine, some permits are already in place such as the National Pollutant Discharge Elimination System (NPDES) permit, the dam safety permit and the water intake permit. The Company has begun the baseline environmental work required for the remaining permits.

The objective remains to have the White Pine North project fully permitted and ready for construction right after Copperwood has been developed.

Other Opportunities and Studies

Considering the geographic proximity of the projects located about 60km apart and the many similarities in deposit type, mining method and processing, the Company has a lot of optionality around development and ways to maximize potential synergies for its two key assets. The option which could possibly be the most economic is the development of one central processing facility. Ore from both sites could then be transported from the mines, mixed and processed through the plant for production of a concentrate.

The Company has initiated a study to better define the potential of this combined scenario which should be completed in the first half of 2023. As part of this study, the viability of refurbishing an existing rail

line for the purpose of transporting ore and concentrate will be studied. The potential appeal of this scenario is a minimized environmental footprint and considerable operating synergies.

Additionally, since July the Company has been analyzing the possibility of economically leaching the concentrate and producing copper cathodes as a final product. This broad vision would allow for sale of copper to manufacturers in Michigan. This would align the Company's interest with the state of Michigan and potential corporate partners that are seeking to secure domestic supply of critical metals.

Updates on the status of this study will be provided as milestones are reached.

1. Measured category is 27.3 million tonnes at 1.68% copper grade. Indicated category is 155.4 million tonnes at 1.11 copper grade.
2. The White Pine North PEA includes an economic analysis of mineral resources. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Qualified Person

The technical information in this press release has been reviewed and approved by Denis Miville-Deschenes, P Eng., the Company's President and CEO. Mr. Miville-Deschenes is a qualified person under Canadian National Instrument 43-101.

About Highland

Highland Copper Company Inc. is a Canadian company focused on exploring and developing copper projects in the Upper Peninsula of Michigan, U.S.A. Information about the Company is available on SEDAR at www.sedar.com and on the Company's website at www.highlandcopper.com.

Cautionary Statement

This news release contains “forward-looking statements” and “forward-looking information” (collectively “forward-looking statements”) within the meaning of applicable Canadian securities legislation. These include, without limitation, statements with respect to: (a) the Company's expectations and beliefs for the development of its mineral projects, including the timing and ultimate economic results thereof; (b) the timing and expectations for the completion of the feasibility study update on the Copperwood project including the development schedule by the end of 2022 (c) the Company's plans for the White Pine project, including development plans for 2023, advancement of a feasibility study on the project, and the timing of completion of studies on of alternative development scenarios. Such forward looking statements are based on a number of assumptions, which may prove to be incorrect. Important assumptions with respect to each the development project are contained in Feasibility Study (for Copperwood) and the PEA (for White Pine). Important factors that could materially impact the Company's expectations include: uncertainties involving the availability of financing in the debt and capital markets; uncertainties involved in the estimation of reserves and resources, including uncertainties in the interpretation of drilling results and other geological and geotechnical data, actual exploration results, interpretation of metallurgical characteristics of the mineralization, changes in project parameters as plans continue to be refined; availability of skilled labour; effects of regulation by governmental agencies; unanticipated variation in geological structures, metal grades or recovery rates; unexpected cost increases, which could include significant increases in estimated capital and operating costs; fluctuations in metal prices and currency exchange rates; and general market and industry conditions. All forward-looking statements in this press release are based on information available to the Company as of the date hereof, and the Company undertakes no obligation to update forward-looking statements except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:
Denis Miville-Deschênes, President & CEO
Tel: +1.450.677.2455
Email: info@highlandcopper.com