



**Highland  
Copper**

# **Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended  
March 31, 2026**

**In US dollars  
(Unaudited)**

**HIGHLAND COPPER COMPANY INC.**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**Highland Copper Company Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**

<i>(in US dollars)</i>	March 31, 2026	June 30, 2025
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 20,762,469	\$ 10,356,450
Sales tax receivable	67,146	74,650
Prepaid expenses and other receivables	140,860	322,382
	<b>20,970,475</b>	10,753,482
Non current assets		
Environmental bond (Note 4a)	2,266,400	2,448,907
Investment in associate (Note 4b)	-	17,122,228
Exploration and evaluation assets (Note 5)	20,220,261	19,870,561
<b>Total assets</b>	<b>\$ 43,457,136</b>	<b>\$ 50,195,178</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,139,450	\$ 1,888,784
Income tax payable (Note 10)	679,603	-
	<b>1,819,053</b>	1,888,784
Non current liabilities		
Loans and borrowings (Note 4b)	-	9,535,027
Asset retirement obligation (Note 5)	1,104,103	1,118,269
<b>Total liabilities</b>	<b>\$ 2,923,156</b>	<b>\$ 12,542,080</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	\$ 84,122,955	\$ 83,948,586
Contributed surplus	17,781,764	17,497,960
Deficit	(61,958,015)	(64,397,539)
Cumulative translation adjustment	587,276	604,091
<b>Total equity</b>	<b>\$ 40,533,980</b>	<b>\$ 37,653,098</b>
<b>Total liabilities and equity</b>	<b>\$ 43,457,136</b>	<b>\$ 50,195,178</b>

Going concern (Note 3)

*The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.*

Approved on behalf of the Board of Directors:

*/s/ Barry O'Shea*

*/s/ Iain Farmer*

Barry O'Shea, CEO

Iain Farmer, Director

**Highland Copper Company Inc.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

<i>(in US dollars)</i>	Three months ended		Nine months ended	
	2026	March 31 2025	2026	March 31 2025
<b>Expenses and other items</b>				
Exploration and evaluation (Note 8)	\$ 1,039,833	\$ 1,712,648	\$ 4,059,510	\$ 6,213,616
Management and administration (Note 9)	406,017	417,064	1,627,451	1,484,297
Share-based compensation (Note 7)	122,280	130,265	562,733	594,996
Gain on sale of White Pine (Note 4b)	(13,604,831)	-	(13,604,831)	-
Re-evaluation adjustment - environmental provision (Note 5)	(18,292)	52,504	(14,166)	(48,014)
Share of loss in associates (Note 4b)	1,886,114	280,441	3,870,372	4,565,010
Interest expense	166,605	188,369	663,857	460,360
Finance income	(107,454)	(106,971)	(262,967)	(560,628)
(Gain) loss on foreign exchange	(24,281)	6,744	(21,086)	(12,329)
<b>Net income (loss) before income tax expense</b>	<b>10,134,009</b>	<b>(2,681,064)</b>	<b>3,119,127</b>	<b>(12,697,308)</b>
Current income tax expense (Note 10)	679,603	13,428	679,603	57,950
<b>Net income (loss) for the period</b>	<b>9,454,406</b>	<b>(2,694,492)</b>	<b>2,439,524</b>	<b>(12,755,258)</b>
Other comprehensive loss				
Item that may be subsequently reclassified to income				
Foreign currency translation adjustment	(16,790)	(47,248)	(16,815)	(31,297)
<b>Comprehensive income (loss) for the period</b>	<b>\$ 9,437,616</b>	<b>\$ (2,741,740)</b>	<b>\$ 2,422,709</b>	<b>\$ (12,786,555)</b>
<b>Basic and diluted income (loss) per share</b>	<b>\$ 0.01</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares</b>				
Basic	737,688,505	736,363,619	737,918,482	736,363,619
Diluted	750,008,676	736,363,619	750,238,653	736,363,619

*The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.*

**Highland Copper Company Inc.**  
**Condensed Interim Consolidated Statements of Cash Flow**

<i>(in US dollars)</i>	Nine months ended	
	March 31, 2026	March 31, 2025
<b>Operating activities</b>		
Net income (loss) for the period	\$ 2,439,524	\$ (12,755,258)
Income tax expense (Note 10)	679,603	57,950
Finance income	(262,967)	(560,628)
Adjustments for non-cash items:		
Share-based compensation	562,733	594,996
Gain on sale of controlling interest in White Pine (Note 4b)	(13,604,831)	-
Share of loss in associates (Note 4b)	3,870,372	4,565,010
Re-evaluation adjustment - environmental provision	(14,166)	(48,014)
Accrued Interest expense on Kinterra loan	663,857	460,360
Unrealized gain on foreign exchange	(9,400)	(12,329)
Interest received	205,287	486,590
Taxes paid	-	(54,400)
Changes in working capital items		
Sales tax receivable	7,504	16,413
Prepaid expenses and other receivables	181,522	165,713
Accounts payable and accrued liabilities	(749,334)	(462,867)
	<b>(6,030,296)</b>	<b>(7,546,464)</b>
<b>Investing activities</b>		
Reimbursement of an environmental bond (Note 4a)	240,188	-
Additions to exploration and evaluation assets - Copperwood (Note 4)	(349,700)	(349,700)
Proceeds from sale of White Pine (Note 4b)	18,330,983	-
Transaction costs (Note 4b)	(1,673,180)	-
	<b>16,548,290</b>	<b>(349,700)</b>
<b>Financing activities</b>		
Withholding taxes paid on RSU settlement	(104,560)	-
Effect of exchange rate changes on cash held in foreign currency	(7,415)	(18,968)
Net change in cash and cash equivalents	10,406,019	(7,915,132)
Cash and cash equivalents, beginning of the period	10,356,450	20,262,813
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 20,762,469</b>	<b>\$ 12,347,681</b>

Supplemental cash flow information (Note 13)

*The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.*

**Highland Copper Company Inc.**  
**Condensed Interim Consolidated Statements of Shareholders' Equity**

<i>(in US dollars)</i>	Number of issued and outstanding shares	Share Capital	Contributed Surplus	Deficit	Cumulative translation adjustment	Total shareholders' equity
<b>Balance at June 30, 2025</b>	<b>736,363,619</b>	<b>83,948,586</b>	<b>17,497,960</b>	<b>(64,397,539)</b>	<b>604,091</b>	<b>\$ 37,653,098</b>
Net loss for the period	-	-	-	2,439,524	-	2,439,524
Settlement of restricted share units	379,343	31,707	(62,522)	-	-	(30,815)
Settlement of deferred share units	255,737	23,832	(52,726)	-	-	(28,894)
Exercise of options	1,189,523	118,830	(163,681)	-	-	(44,851)
Share-based compensation	-	-	562,733	-	-	562,733
Foreign currency translation adjustment	-	-	-	-	(16,815)	(16,815)
<b>Balance at March 31, 2026</b>	<b>738,188,222</b>	<b>\$ 84,122,955</b>	<b>\$ 17,781,764</b>	<b>\$ (61,958,015)</b>	<b>\$ 587,276</b>	<b>\$ 40,533,980</b>
Balance at June 30, 2024	736,363,619	\$ 83,948,586	\$ 16,766,368	\$ (48,633,682)	\$ 627,882	\$ 52,709,154
Net income for the period	-	-	-	(12,755,258)	-	(12,755,258)
Share-based compensation	-	-	594,996	-	-	594,996
Foreign currency translation adjustment	-	-	-	-	(31,297)	(31,297)
Balance at March 31, 2025	736,363,619	\$ 83,948,586	\$ 17,361,364	\$ (61,388,940)	\$ 596,585	\$ 40,517,595

*The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.*

## Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
For the three and nine months ended March 31, 2026 and 2025  
(Unaudited - in US dollars)

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### 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 asset, located in Michigan's Upper Peninsula region, is the 100%-owned Copperwood copper project (the "Copperwood Project").

All financial results in these unaudited condensed interim consolidated financial statements are expressed in US dollars unless otherwise indicated.

The Board of Directors approved these unaudited condensed interim consolidated financial statements on May 19, 2026.

### 2. GOING CONCERN

These unaudited condensed interim 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 nine months ended March 31, 2026, the Company had negative cash flows from operations of \$6,030,296 (negative \$7,546,464 for the nine months ended March 31, 2025). In addition, the Company incurred a net profit of \$2,439,524 for the nine months ended March 31, 2026 and had an accumulated deficit of \$61,958,015 as at March 31, 2026 (\$64,397,539 as at June 30, 2025). The Company will require additional financing to fund its operations and to meet its planned investment. As at March 31, 2026, the Company had working capital (total current assets less total current liabilities) of \$19,151,422 (\$8,864,698 as at June 30, 2025).

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

## Highland Copper Company Inc.

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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 condensed interim 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.

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### a) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all the information and footnotes required by IFRS Accounting Standards ("IFRS") for annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2025, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in the preparation of these condensed interim consolidated financial statements are the same as those applied in the Company's most recent consolidated annual financial statements for the year ended June 30, 2025.

#### b) Critical accounting estimates and judgments

The preparation of the Company's condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Company has consistently applied the significant accounting judgments, estimates and assumptions set out in the Company's audited consolidated financial statements for the year ended June 30, 2025, to all the periods presented in these condensed interim consolidated financial statements.

#### c) Accounting standards issued but not yet effective

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements. The standard amends the presentation of the statement of income by introducing a newly defined 'operating profit' subtotal and a requirement for income and expenses to be allocated between three new distinct categories based on a

## Highland Copper Company Inc.

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company's main business activities, which are Operating, Financing and Investing. In addition, organizations will need to disclose certain 'non-GAAP' measures known as management defined performance measures. The standard will be effective for the Company from July 1, 2027. The Company is assessing the impact of adoption of this amendment on its consolidated financial statements. These Interim Financial Statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### 4. EXPLORATION AND EVALUATION ASSETS

	<b>Copperwood Project</b>
Balance at June 30, 2024	\$ 19,520,861
Additions to exploration and evaluation assets	349,700
<b>Balance at June 30, 2025</b>	<b>\$ 19,870,561</b>
Additions to exploration and evaluation assets	349,700
<b>Balance at March 31, 2026</b>	<b>\$ 20,220,261</b>

##### a) Environmental Bond

In July 2023, the Company secured a surety bond as financial assurance for the future reclamation of 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 earned interest on the bond of \$17,750 and \$57,680 for the three and nine months ended March 31, 2026 (\$22,644 and \$74,038 during the three and nine months ended March 31, 2025). During the nine months ended March 31, 2026, the Company received \$240,188 as a return of its cash deposit for financial assurance related to certain completed site work. The value of the environmental bond as at March 31, 2026 is \$2,266,400 (June 30, 2025 - \$2,448,907).

##### b) Sale of 34% Interest in White Pine

In February 2026, the Company completed its sale of its 34% interest in the White Pine North Project ("White Pine") for aggregate consideration of \$30,119,543. The total consideration comprised cash proceeds of \$18,330,893, and the assumption by Kinterra of the outstanding principal and accrued interest on the loan previously made to the Company's wholly owned subsidiary, Upper Peninsula Copper Holdings Inc., which was a total of \$11,788,560 at closing. The Company recorded a gain of \$13,604,831 on the sale of White Pine.

Investment in associate before sale of White Pine:

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Opening Balance as at June 30, 2025	\$ 17,122,228
Cash calls	1,589,595
Share of loss	(3,870,372)
<b>Ending Balance before sale of White Pine</b>	<b>\$ 14,841,451</b>

Loans and borrowings before sale of White Pine:

<b>Balance at June 30, 2024</b>	<b>\$ 2,383,329</b>
Cash call funded by Kinterra on behalf of Highland Copper	6,468,158
Accrued interest	683,540
<b>Balance at June 30, 2025</b>	<b>\$ 9,535,027</b>
Cash call funded by Kinterra on behalf of Highland Copper	1,589,685
Accrued interest	663,857
<b>Ending balance before sale of White Pine</b>	<b>\$ 11,788,569</b>

The following tables summarize the gain on sale related to White Pine:

Consideration received	\$ 18,330,893
Net assets sold:	
Investment in associate	(14,841,451)
Loans and borrowings	11,788,569
	(3,052,882)
Transaction costs	(1,673,180)
<b>Gain on sale of White Pine</b>	<b>\$ 13,604,831</b>

### 5. ASSET RETIREMENT OBLIGATION

The Company initiated early site work at Copperwood in late summer 2023. This work was completed as of March 31, 2025. The early site work primarily focused 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 at Copperwood, 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 for the early works reclamation and the monitoring wells was estimated at \$1,722,673 at March 31, 2026 (\$1,722,673 as at June 30, 2025). The present value of this liability was calculated using a weighted average discount rate of 4.59% (4.20% as at June 30, 2025) and is reflecting payments to be made in years 16, 17 and 35 from the start of construction, while taking into consideration an inflation rate of 2.0% (2.0% as at June 30, 2025) over that period. The following table summarizes the Company's asset retirement obligation as at March 31, 2026 and June 30, 2025:

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	Copperwood Project
<b>Balance at June 30, 2024</b>	<b>1,184,752</b>
Addition to asset retirement obligation	(66,483)
<b>Balance at June 30, 2025</b>	<b>\$ 1,118,269</b>
Change in valuation assumptions used	(14,166)
<b>Balance at March 31, 2026</b>	<b>\$ 1,104,103</b>

### 6. SHARE CAPITAL

#### *Issued and fully paid*

As at March 31, 2026, the Company had 738,188,122 issued and outstanding common shares (736,363,619 issued and outstanding common shares at June 30, 2025).

### 7. SHARE-BASED PAYMENTS

#### a) 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 (the "Participant"), non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance, including the shares reserved for RSU's & DSU's, shall not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period between 5 to 7 years from the date of grant. Vesting terms are determined by the Board of Directors at the time of grant. Pursuant to a net exercise provision, a participant may elect, in lieu of paying the exercise price in cash, to receive a number of shares equal to the in-the-money value of the options exercised. The number of shares issued is calculated by multiplying the number of options exercised by the difference between the volume-weighted average trading price ("VWAP") of the Company's listed shares and the applicable exercise price and dividing the resulting amount by the VWAP of the listed shares.

As at March 31, 2026, the Company had 40,473,939 (38,608,335 as at June 30, 2025) issued and outstanding stock options.

The following is a summary of stock option activities for nine months ended March 31, 2026 and year ended June 30, 2025:

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	Nine months ended		Year ended	
	March 31, 2026		June 30, 2025	
	Number of stock options	Weighted average exercise price (C\$)	Number of stock options	Weighted average exercise price (C\$)
Options, beginning of period	38,608,335	0.10	39,550,002	0.10
Granted	6,632,271	0.10	9,825,000	0.12
Exercised	(4,766,667)	0.09	-	-
Forfeited	-	-	(1,511,111)	0.08
Expired	-	-	(9,255,556)	0.12
<b>Options, end of period</b>	<b>40,473,939</b>	<b>0.10</b>	<b>38,608,335</b>	<b>0.10</b>

During the period, the Company issued 1,189,523 common shares in connection with the net exercise of 4,766,667 stock options. In accordance with the net exercise provisions of the Company's stock option plan, the number of shares issued represents the in-the-money value of the options exercised. The shares issued were net of applicable withholding taxes. The weighted average share price at the date of exercise was C\$0.14.

Stock options issued and outstanding as at March 31, 2026 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	2,500,000	0.11	1.0	2,500,000	0.11
February 24, 2022	2,500,000	0.15	1.2	2,500,000	0.15
July 25, 2022	7,800,000	0.10	3.6	7,800,000	0.10
October 13, 2023	12,916,668	0.07	4.8	12,916,668	0.07
July 26, 2024	6,050,000	0.12	3.6	4,033,334	0.12
August 19, 2024	825,000	0.12	3.6	550,000	0.12
September 3, 2024	1,750,000	0.12	3.7	1,166,667	0.12
July 7, 2025	6,132,271	0.10	4.8	2,044,090	0.10
	<b>40,473,939</b>	<b>0.10</b>	<b>3.8</b>	<b>33,510,759</b>	<b>0.10</b>

As at March 31, 2026, all outstanding stock options were held by key management personnel which included the Company's officers and directors.

The fair value of the options granted during the nine months ended March 31, 2026 was estimated by applying the Black-Scholes option pricing model using the inputs outlined in the table below:

Grant date	Expected life (years)	Risk-free rate	Volatility rate	Dividend factor	Fair value of options (C\$)
July 7, 2025	5.00	2.94%	74.54%	0%	0.06

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The fair value of the options granted during the nine months ended March 31, 2025 was estimated by applying the Black-Scholes option pricing model using the inputs outlined in the table below:

Grant date	Expected life	Risk-free rate	Volatility rate	Dividend factor	Fair value of options
	(years)				(C\$)
July 26, 2024	5.00	3.24%	87.81%	0%	0.08
August 19, 2024	5.00	2.99%	87.70%	0%	0.07
September 3, 2024	5.00	2.96%	87.77%	0%	0.07

The Company recognized an expense of \$72,455 and \$366,070 related to the stock options during the three and nine months ended March 31, 2026 (\$86,482 and \$472,548 during the three and nine months ended March 31, 2025).

### b) Other Equity-based Instruments

Pursuant to the terms of the Plan, the Company may grant deferred shares units (“DSUs”) and restricted share units (“RSUs”) to eligible Participants. Upon vesting, the DSUs and RSUs may be settled with cash or shares of the Company, at the sole discretion of the Board. The Company intends to settle all DSU’s and RSU’s in equity. The total number of common shares reserved for issuance, including the shares reserved for stock options, shall not exceed 10% of the issued and outstanding common shares. The RSUs and DSU’s were granted on July 26, 2024 and July 7, 2025, and will vest equally every year from the first anniversary until the third anniversary of the grant date. The fair value of a DSU and RSU is determined as the fair market value of a common share of the Company on grant date and recorded in equity reserves. As at March 31, 2026, there were 2,970,395 DSUs and 4,613,036 RSUs outstanding. The Company recognized an expense of \$32,527 for RSU and \$17,301 for DSU during the three months ended March 31, 2026 (\$25,741 for RSU and \$18,043 for DSU for three months ended March 31, 2025). The Company recognized an expense of \$112,465 for RSU and \$84,201 for DSU during the nine months ended March 31, 2026 (\$71,550 for RSU and \$50,898 for DSU for nine months ended March 31, 2025).

The following is a summary of outstanding DSU and RSU as at March 31, 2026:

	Nine months ended		Year ended	
	March 31, 2026		June 30, 2025	
	Number of RSU's	Number of DSU's	Number of RSU's	Number of DSU's
Beginning of period	2,244,242	1,562,500	-	-
Granted	3,116,875	1,973,684	2,244,242	1,812,500
Settled	(748,081)	(565,789)	-	-
Forfeited	-	-	-	(250,000)
<b>End of period</b>	<b>4,613,037</b>	<b>2,970,395</b>	<b>2,244,242</b>	<b>1,562,500</b>

The Company issued 379,343 common shares to settle 748,081 vested RSUs. The Company issued 255,737 common shares to settle 565,789 vested DSU’s. The number of shares issued reflects the net amount after withholding taxes applicable to the vested RSUs and DSU’s. The weighted average share price at the date of settlement for RSU’s and DSU’s was C\$0.12 and C\$0.13 respectively.

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As at March 31, 2026, the number of RSU's outstanding for key management personnel was 3,767,201. All outstanding DSU's are held by the Company's directors.

### 8. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses during the three and nine months ended March 31, 2026 and 2025:

	Three months ended		Nine months ended	
	March 31		March 31	
	2026	2025	2026	2025
Salaries and benefits	\$ 301,702	\$ 282,555	\$ 1,132,380	\$ 951,087
Excavation and site works	9,684	158,731	1,121,602	3,528,170
Environment	308,803	15,835	529,817	174,189
Engineering	228,673	1,086,293	634,105	1,138,280
Office, overhead and other administrative costs	190,971	169,234	641,606	421,890
	\$ 1,039,833	\$ 1,712,648	\$ 4,059,510	\$ 6,213,616

### 9. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses during the three and nine months ended March 31, 2026 and 2025:

	Three months ended		Nine months ended	
	March 31		March 31	
	2026	2025	2026	2025
Salaries and benefits	\$ 202,695	\$ 216,351	\$ 948,130	\$ 835,951
Office, overhead and other administrative costs	59,563	38,328	154,129	132,987
Professional fees	21,176	19,518	185,322	213,658
Investor relations	122,583	142,867	339,870	301,701
	\$ 406,017	\$ 417,064	\$ 1,627,451	\$ 1,484,297

### 10. INCOME TAXES

During the three months ended March 31, 2026, the Company completed the sale of White Pine for total proceeds of \$18,330,983. This disposal resulted in a taxable capital gain, giving rise to an income tax expense of \$679,903, which was calculated based on the statutory capital gains inclusion rate in effect at the time of the transaction and reflects the utilization of previously unrecognized deferred tax assets related to the Company's non-capital loss carry forwards. Consequently, the Company has recognized a current tax liability of \$679,903 as at March 31, 2026.

## Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
For the three and nine months ended March 31, 2026 and 2025  
(Unaudited - in US dollars)

### 11. EARNINGS PER SHARE

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. All outstanding DSU, RSU and stock options are anti-dilutive.

The calculation of basic and diluted earnings per share for the three and nine months ended March 31, 2026 was based on net income attributable to common shareholders of \$9,454,406 and \$3,119,127 and the weighted average number of common shares outstanding of 737,688,505 and 737,918,482.

	Three months ended March 31,		Nine months ended March 31,	
	2026	2025	2026	2025
Weighted average common shares outstanding				
Basic	737,688,505	736,363,619	737,918,482	736,363,619
Plus net incremental share from:				
Assumed conversion: stock option	15,610,828	-	12,320,171	-
Diluted weighted average common shares outstanding	753,299,333	736,363,619	750,238,653	736,363,619

### 12. 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 three and nine months ended March 31, 2026 and 2025, key management compensation comprises:

	Three months ended March 31		Nine months ended March 31	
	2026	2025	2026	2025
Salaries, fees, bonuses, and termination payments	\$ 204,757	\$ 221,203	\$ 1,052,214	\$ 862,581
Share-based compensation	109,067	122,272	522,210	572,449
	\$ 313,824	\$ 343,475	\$ 1,574,424	\$ 1,435,030

### 13. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Nine months ended March 31	
	2026	2025
<b>Financing activities</b>		
Loans and borrowings from Kinterra to fund White Pine cash calls	\$ 1,589,685	\$ 5,266,260

## Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
For the three and nine months ended March 31, 2026 and 2025  
(Unaudited - in US dollars)

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### 14. 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 March 31, 2026, managed capital was \$40,533,980 (\$47,188,125 at June 30, 2025).

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 quarter ended March 31, 2026. The Company is not subject to any externally imposed capital requirements as at March 31, 2026.

### 15. 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 quarter ended March 31, 2026.

#### *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. See note 2.

The following table summarizes the contractual maturities of the Company's financial liabilities as at March 31, 2026 and June 30, 2025:

## Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
For the three and nine months ended March 31, 2026 and 2025  
(Unaudited - in US dollars)

### March 31, 2026

	Carrying amount	Settlement amount	Within one year	Two years	Over two years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,139,450	1,139,450	1,139,450	-	-
	1,139,450	1,139,450	1,139,450	-	-

### June 30, 2025

	Carrying amount	Settlement amount	Within one year	Two years	Over two years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,888,784	1,888,784	1,888,784	-	-
Loans and borrowings (Note 5)	9,535,027	9,535,027	-	9,535,027	-
	11,423,811	11,423,811	1,888,784	9,535,027	-

### *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 equivalents held at major Canadian and US chartered banks, a regional US bank as well as the environmental bond. The Company regularly maintains deposits in accredited financial institutions in excess of federally insured limits. Management believes that the Company is not currently exposed to significant credit risk as the Company's deposits were held in custody at third-party financial institutions.

### *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.

### *Market Risk*

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates– will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### *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

## Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
For the three and nine months ended March 31, 2026 and 2025  
(Unaudited - in US dollars)

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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.

As at March 31, 2026, financial assets and liabilities denominated in a foreign currency consisted of cash of CAD \$332,820 as well as accounts payable and accrued liabilities of CAD \$121,654. The impact on profit or loss of a 10% increase or decrease in the US dollar against the Canadian dollar would be approximately \$12,000.

### 16. 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.

### 17. 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:

<b>As at March 31, 2026</b>	<b>Canada</b>	<b>USA</b>	<b>Total</b>
Current assets	\$ 879,563	\$ 20,090,912	\$ 20,970,475
Environmental bond	-	2,266,400	2,266,400
Exploration and evaluation assets	-	20,220,261	20,220,261
<b>Total assets</b>	<b>\$ 879,563</b>	<b>\$ 42,577,573</b>	<b>\$ 43,457,136</b>

<b>As at June 30, 2025</b>	<b>Canada</b>	<b>USA</b>	<b>Total</b>
Current assets	261,141	10,492,341	10,753,482
Environmental bond	-	2,448,907	2,448,907
Investment in associate	-	17,122,228	17,122,228
Exploration and evaluation assets	-	19,870,561	19,870,561
<b>Total assets</b>	<b>\$ 261,141</b>	<b>\$ 49,934,037</b>	<b>\$ 50,195,178</b>



**Highland  
Copper**

# **Management's Discussion and Analysis**

**For the three and nine months ended  
March 31, 2026**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the three and nine months ended March 31, 2026**

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 May 19, 2026 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2026, the audited consolidated financial statements for the year ended June 30, 2025 and the MD&A for the year ended June 30, 2025, including the section describing risks and uncertainties.

The Company reports its financial position, results of operations and cash flows in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. 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](http://www.sedarplus.ca) and on the Company's website, [www.highlandcopper.com](http://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 project is Copperwood, a feasibility stage copper project, 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<sup>1</sup>. Copperwood is permitted for site development and operation.

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 March 31, 2026, the Company has 738,188,122 common shares issued and outstanding. Orion Resource Partners and Condire Investors LLC hold respectively 27.7% and 16.2% of the Company's issued and outstanding common shares.

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<sup>1</sup> 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 Feasibility Study").

## **HIGHLIGHTS DURING THE THREE MONTHS ENDED MARCH 31, 2026**

During the three months ended March 31, 2026, Highland Copper continued to advance its 100%-owned, fully permitted Copperwood Project toward a 2026 construction decision. Following the completion of Phase 1 engineering, the Company is progressing detailed engineering to a 40% completion target to support project financing due diligence. In parallel, Highland is pursuing federal funding opportunities to de-risk the project, while simultaneously advancing technical and commercial workstreams for construction readiness and maintaining strong stakeholder support in Michigan's Upper Peninsula.

### **Copperwood Project ("Copperwood")**

- Detailed Engineering is progressing on track with DRA Americas, Inc ("DRA") on mining and process plant engineering, Tetra Tech on the Tailings Disposal Facility ("TDF") and Foth Infrastructure & Environment, LLC on overall water balance engineering.
- Subsequent to quarter-end, the Company announced the appointment of Trace Arlaud as the Project Director and Peter Hemstead as the Interim CFO. The Company also announced the formation of a Technical Advisory Committee which at the outset will consist of former Copperwood Project Director, Dr. Wynand van Dyk, in addition to Board members Jon Cherry and Melanie Miller.
- The Company was acknowledged as a contributor to U.S mining expansion in White House publication "Fact Sheet: President Donald J. Trump Strengthens Tariffs on Steel, Aluminium, and Copper Imports – Bolstering Domestic Manufacturing of Strategic Metals and their Derivative".

### **Kinterra Transaction**

- The Company completed the sale of its 34% share in the White Pine North Project ("White Pine") to its joint venture partner, Kinterra Copper USA LLC ("Kinterra") for aggregate consideration of US \$30 million. The total consideration consisted of US\$18.3 million in cash, net of the outstanding principal and accrued interest on the loan made by Kinterra to the Company's wholly owned subsidiary, Upper Peninsula Copper Holdings Inc., which was a total of US\$11.8 million at closing
- The transaction reinforces Highland Copper's strategic focus and strengthens its balance sheet by funding corporate and Copperwood activities to support a near-term construction decision, eliminating existing debt, and simplifying the corporate structure for the next phase of development.

### **Financial Data**

- The Company realized a net gain of \$9.4 million for the three months ended March 31, 2026 (\$0.01 per share) compared to net loss of \$2.7 million during the comparative period last year (\$(0.00) per share).
- As at March 31, 2026, the Company had working capital (total current assets less total current liabilities) of \$19.2 million.

## PROJECT OVERVIEW AND 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 (the "Copperwood Feasibility Study") 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<sup>1</sup>

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

<sup>1</sup> 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](http://www.sedarplus.ca) (the "Copperwood Technical Report").

During the quarter ended March 31, 2026, the Company continued to execute on its path to a near-term construction decision at Copperwood:

#### Detailed Engineering Update

Phase 1 engineering has been completed for the process plant, overall water balance and TDF. Following the successful redesign of the process plant flow sheet, the current focus is an integrated mine plan review to consider potential optimizations, as well as address key risks. As the mine plan is re-evaluated, key consideration will be given to a cut-off grade review to better align mining selectivity to revised processing strategy, potential mine height, pillar size and ground support optimization, in addition to process plant and TDF footprint optimization. Key geotechnical risks are also being further evaluated and mitigated through ongoing design.

With a goal of completing 40% Front End Engineering and Design ("FEED") in 2026 (Phase 2 engineering), the Company will also update key capital and operating cost assumptions. Given the range of changes from a design perspective, as well as consideration of higher long-term consensus copper prices, the Company will plan to issue an updated Feasibility Study as part of its engineering objectives. An updated Feasibility Study reflective of long-term consensus copper price, with FEED engineering complete and design optimizations incorporated, will more readily facilitate due diligence in project financing.

#### Announcement of Project Director and Formation of Technical Advisory Committee

The Company announced Trace Arlaud as its new Project Director. Ms Arlaud is a globally recognized mining executive with a proven track record of improving project economics through strategic mine

planning and technical innovation, in addition to holding key mine development execution roles. A qualified geologist, mining and geotechnical engineer, with significant experience in Michigan's Upper Peninsula, Trace is particularly well placed to continue project optimization efforts through detailed engineering, as well as prepare Copperwood from a construction and operational readiness perspective.

The Company also announced the formation of a Technical Advisory Committee which at the outset will consist of former Copperwood Project Director, Dr. Wynand van Dyk, in addition to Board members Jon Cherry and Melanie Miller. Mr. van Dyk has been a significant contributor to the success of engineering efforts, particularly spearheading the enhanced process flow sheet which incorporated Glencore's Jameson cell, an ultrafine flotation technology. Significantly, this resulted in increased copper recoveries and lower operating costs relative to the Feasibility Study, as announced in September 2025. Jon Cherry, current President and CEO of Perpetua Resources, previously spent 20 years at Rio Tinto where, amongst other assignments, he was responsible permitting and the initial development of the Eagle Mine in Michigan's Upper Peninsula. Melanie Miller has considerable experience in supply chain innovation, strategic planning and analysis, and organizational management. The Company will add further advisory members as needed through engineering and construction readiness.

### **White Pine Project**

On March 2, 2026, the Company completed the sale of its 34% interest in White Pine to Kinterra, for aggregate consideration of US\$30.1 million, pursuant to a definitive Membership Interest Purchase Agreement dated January 12, 2026.

This transaction represents a significant milestone in optimizing Highland Copper's corporate strategy and strengthening its financial position. The proceeds will fund the Company's planned corporate and Copperwood Project activities, eliminate existing debt, and streamline its overall corporate structure. With a strengthened balance sheet and a clear focus on its 100%-owned, fully permitted Copperwood Project, the Company is well positioned for its next phase of development.

The total consideration consisted of US\$18.3 million in cash, net of the outstanding principal and accrued interest on the loan made by Kinterra to the Company's wholly owned subsidiary, Upper Peninsula Copper Holdings Inc., which is expected to total approximately US\$11.7 million at closing.

The divestiture of the Company's non-controlling interest in White Pine delivers several key strategic benefits:

- **Funded Growth:** The net cash proceeds are expected to fund the activities required to advance the Copperwood Project to a construction decision, including necessary detailed engineering and project financing activities.
- **Balance Sheet Enhancement:** The White Pine Transaction allowed the Company to eliminate its existing debt, improving financial flexibility and reducing future interest obligations.
- **Simplified Corporate Structure:** The sale streamlines Highland Copper's asset portfolio, enabling management to focus entirely on advancing Copperwood.

Moelis & Company LLC acted as exclusive financial advisor and McMillan LLP acted as legal advisor to the Company in connection with the White Pine Transaction.

## **OUTLOOK**

Highland expects to advance the Copperwood Project through a comprehensive optimization and de-risking program spanning engineering, permitting, construction readiness, and financing activities.

On the technical front, the Company will complete an integrated mine plan review incorporating updated cost inputs, commodity price assumptions, and potential refinements to mining methods and equipment. This includes evaluating geotechnical parameters as an interdependent system and assessing the potential adoption of a drift-and-fill mining method, which could enhance recoveries if supported by successful paste fill test work. Concurrently, Phase 2 FEED engineering is targeted to reach approximately 40% completion, with tailings facility engineering advanced to roughly 80% to improve design certainty, cost accuracy, and execution planning. Capital and operating cost estimates will be updated to reflect inflationary pressures and other changes since the feasibility study, while additional regional infrastructure engineering is expected to support both project needs and broader regional development.

Permitting requirements will be reassessed in parallel with technical optimization efforts. Any required amendments are expected to be incorporated into the project schedule, with a view that such changes would generally reduce environmental impacts while strengthening project economics and technical robustness.

In preparation for construction, Highland will continue environmental monitoring programs, including wetlands, streams, and expanded groundwater systems, in compliance with permit conditions. Construction readiness efforts will focus on workforce planning, including availability of skilled labor and housing solutions for both construction and operations.

To support execution, Highland is establishing a technical committee comprising board members and independent advisors to oversee project development and readiness. The Company also plans to appoint an offtake advisor to evaluate strategic partnership opportunities.

On the financing front, Highland intends to appoint a debt finance advisor and initiate a competitive project financing process in parallel with engineering advancement. Potential funding sources include U.S. federal loan programs, private equity, offtake-linked financing, and traditional project finance lenders. The Company will also evaluate complementary funding opportunities, including grants and equity investments tied to critical minerals initiatives in the United States. Advancement and completion of financing activities are expected to align with progress toward the targeted 40% FEED level.

## 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 Dr. Wynand van Dyk, a qualified person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and former employee and continuing consultant to the Company. Mr. van Dyk is not considered independent of the Company for the purposes of NI 43-101.

## SELECTED QUARTERLY INFORMATION

The following table provides information for the eight fiscal quarters ended March 31, 2026:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>September 30, 2025</b>	<b>June 30, 2025</b>
Exploration and evaluation expenditures	\$ 1,039,833	\$ 729,944	\$ 2,289,733	\$ 2,439,515
Net (income) loss	(9,454,406)	2,890,476	4,134,549	3,008,599
(Income) loss per share - basic and diluted	(0.01)	0.00	0.01	0.00

  

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>
Exploration and evaluation expenditures	\$ 1,712,648	1,257,563	3,243,405	1,541,989
Net loss	2,694,492	3,104,781	6,955,985	3,396,497
Loss per share - basic and diluted	0.00	0.00	0.01	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 and corporate functions. The Company is a mineral exploration and development company and does not currently generate operating revenue.

Exploration and evaluation expenditures primarily relate to early site work activities and detailed engineering at Copperwood. Early site work was seasonal in nature, with no field activities conducted during the winter months. All obligated early site work was completed in September 2025.

During the quarter ended March 31, 2026, the Company continued its Phase 2a detailed engineering that was initiated during the previous quarter upon completion of Front-End Engineering and Design ("FEED") Phase 1 engineering in September 2025.

## RESULTS OF OPERATIONS

Results of operations for the three and nine months ended March 31, 2026 compared to the three and nine months ended March 31, 2025 are as follows:

	Three months ended		Nine months ended	
	2026	March 31 2025	2026	March 31 2025
Exploration and evaluation	\$ 1,039,833	\$ 1,712,648	\$ 4,059,510	\$ 6,213,616
Management and administration	406,017	417,064	1,627,451	1,484,297
Share-based compensation	122,280	130,265	562,733	594,996
Gain on sale of White Pine	(13,604,831)	-	(13,604,831)	-
Re-evaluation adjustment - environmental provision	(18,292)	52,504	(14,166)	(48,014)
Share of loss in associates	1,886,114	280,441	3,870,372	4,565,010
Finance income	(107,454)	(106,971)	(262,967)	(560,628)
Interest expense on Kinterra loan	166,605	188,369	663,857	460,360
(Gain) loss on foreign exchange	(24,281)	6,744	(21,086)	(12,329)
Income tax expense	679,603	13,428	679,603	57,950
<b>Net income (loss) for the period</b>	<b>\$ 9,454,406</b>	<b>\$ (2,694,492)</b>	<b>\$ 2,439,524</b>	<b>\$ (12,755,258)</b>

***Three months ended March 31, 2026 ("Q3 2026") compared to the three months ended March 31, 2025 ("Q3 2025") and nine months ended March 31, 2026 ("YTD 2026") compared to the nine months ended March 31, 2025 ("YTD 2025")***

### *Exploration and evaluation expenditures*

Exploration and evaluation expenditures decreased by \$0.7 million for Q3 2026 compared to the corresponding period in Q3 2025 and by \$2.1 million in YTD 2026 compared to YTD 2025. The decrease in Q3 2026 was primarily attributable to the commencement of a drilling program for metallurgical testing of ultrafine flotation technology in Q3 2025 which did not occur in the current period. The decrease in YTD 2026 was primarily due to completion of early site work, which commenced in Q1 2024 and continued through Q3 2025. Early site activities included earthworks, excavation, and logging associated with stream and wetland impacts, as well as site preparation for required mitigation activities. On-site early site work was completed in September 2025.

### *Management and administration*

Management and administration expenditures remained consistent for Q3 2026 compared to the corresponding period in Q3 2025 and increased by \$0.1 million for YTD 2026 compared to YTD 2025. The increase for YTD 2026 was primarily attributable to higher investor relations and marketing activities, as well as related travel expenses.

### *Share-based compensation*

Share-based compensation has remained consistent in Q3 2026 and YTD 2026 compared to Q3 2025 and YTD 2025.

### *Revaluation adjustments of environmental provisions*

The Company has recognized an asset retirement obligation related to the early site work. The provisions are revalued at each reporting period. The gain from revaluating environmental provisions in Q3 2026 and YTD 2026 was primarily due to higher interest rates in current period compared to Q2 2026 and the period ended June 30, 2025.

### *Share of loss in associates*

The Company accounts for its 34% interest in the White Pine Project using the equity method. The share of loss in associate's recognized for the period reflects the Company's proportionate share of White Pine's loss incurred in Q3 2026 and YTD 2026. The increase in Q3 2026 is primarily due to higher drilling and baseline drilling activities in the current quarter compared to Q3 2025. White Pine conducted a drilling campaign in Q3 2026 while no drilling activities occurred in Q3 2025.

The decrease in YTD 2026 compared to the same period last year is primarily due to lower overall drilling and baseline activities during the year.

### *Finance income*

Finance income represents interest earned on the Company's cash and cash equivalents. The decrease in finance income in YTD 2026 was primarily due to lower average cash balance.

### *Interest Expense on Kinterra Loan*

Kinterra has provided the Company an unsecured loan to satisfy the Company's pro rata expenditure for the Initial Program at White Pine. The unsecured loan was subject to an interest rate of 10%, compounded annually from the date of each advance, and was subject to mature on July 24, 2026. The increase in interest expense in YTD 2026 compared to same period last year was due to higher loan balance in current period. The decrease in interest expense in Q3 2026 compared to Q3 2025 is due to Kinterra loan being repaid after the sale of White Pine.

### *Income tax expense*

Income tax expense in Q3 2026 and YTD 2026 represents the income tax payable on the gain on sale of White Pine.

## **FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

As of March 31, 2026, the Company had working capital (total current assets less total current liabilities) of \$19,151,422 compared to working capital of \$8,864,698 as at June 30, 2025. The increase in working capital during the nine months ended March 31, 2026 is mainly attributable to the sale of White Pine in the current quarter which resulted in an increase of cash and cash equivalents of \$18,330,983, offset by funding of the early site work and engineering activities for the Copperwood Project, as well as general corporate activities. The Company had total assets and total liabilities of \$43,457,136 and \$2,923,156, respectively, as at March 31, 2026 compared to \$50,195,178 and \$12,542,080, respectively, as at June 30, 2025. The Company had operating cash outflow of \$6,030,296 for the nine months ended March 31, 2026, compared to operating cash outflow of \$7,546,464 for nine months ended March 31, 2025.

As 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, proceeds from the disposal of exploration and evaluation assets, and debt financing, 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 interim condensed 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.

#### **OFF BALANCE-SHEET ARRANGEMENTS**

During the period ending March 31, 2026, 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 expenditure, 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 three and nine months ended March 31, 2026 and 2025, key management compensation comprises:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March 31</b>		<b>March 31</b>	
	<b>2026</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
Salaries, fees, bonuses, and termination payments	\$ 204,757	\$ 221,203	\$ 1,052,214	\$ 862,581
Share-based compensation	109,067	122,272	522,210	572,449
	<b>\$ 313,824</b>	<b>\$ 343,475</b>	<b>\$ 1,574,424</b>	<b>\$ 1,435,030</b>

#### **OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company has 738,188,222 common shares, 40,473,939 stock options, 2,970,395 Deferred Share Units and 4,613,037 Restricted Share Units outstanding.

#### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company is exposed to risks that arise from its use of financial instruments. The Company's exposures to financial risk and how the Company manages each of those risks are described in the Company's MD&A as well as in note 17 of the financial statements for the year ended June 30, 2025. There were no significant changes to the Company's exposure to those risks or to the Company's management of its risk exposures during the three months ended March 31, 2026.

## **RISKS AND UNCERTAINTIES**

The Company is engaged in the acquisition, exploration, evaluation, and development of mineral projects which, by nature, are speculative. Due to the high-risk nature of the Company's business and the present stage of the Company's various projects, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A and the Company's other public disclosures, including the risks disclosed in the "Risks and Uncertainties" section of the Company's MD&A for the year ended June 30, 2025 prior to making any investment in the Company's common shares. The risks disclosed in the "Risks and Uncertainties" section of the Company's MD&A for the year ended June 30, 2025 do not necessarily comprise all the risks faced by the Company. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company's business, result of operations, financial results, prospects, and price of common shares.

## **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 develop the Copperwood project; (ii) the estimation of anticipated production at the Copperwood Project; (iii) the timing of a construction decision and cost of the construction of the Copperwood Project; (iv) the expected use and sufficiency of the proceeds from the White Pine Transaction to fund the Company's activities to a near term construction decision; (v) the Company's ongoing and proposed activities at Copperwood; (vi) the timing of completion of and anticipated results of ongoing studies at Copperwood; (vii) the timing of completion of an updated feasibility study for the Copperwood Project; (viii) the potential receipt and timing of federal funding or financing support from U.S. government programs; (ix) expected improvements in metallurgical recoveries based on recent test work; (x) potential changes to mining methods including paste backfill viability and drift-and-fill design at Copperwood; (xi) timing and approval of potential permit amendments at Copperwood; (xii) expected engineering completion milestones and percentages; and the Company's other plans and objectives, including those under the headings "Project Overview and Updates – Copperwood Project" and "Outlook".

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 advance the Copperwood Project; (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 (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; (v) the impact of inflation on project costs and budgets for 2026 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; (viii) challenges to title to the Company's mineral properties; (ix) the ability of the Company to maintain its social license to operate; (x) changes in international trade and other relations or increased protectionist policies may affect costs generally, and the Company's ability to operate in a foreign jurisdiction (xi) dependence on key management personnel; (xii) competition in the mining industry; (xiii) the inability of the Company to insure against all risks; and (xiv) 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 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](http://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.