

Material Change Report
Form 51-102F3

Item 1 - Name and Address of Company

Highland Copper Company Inc. (the “Company” or “Highland”)
1111 St-Charles West
West Tower, Suite 101
Longueuil, QC J4K 5G4

Item 2 - Date of Material Change

October 19, 2017.

Item 3 - News Release

A news release in respect of this material change was disseminated via Marketwired on October 19, 2017.

Item 4 - Summary of Material Change

On October 19, 2017, Highland reported an updated Mineral Resource estimate for its 100%-owned Copperwood Project located in Gogebic County, in the western Upper Peninsula of Michigan, U.S.A.

The updated Mineral Resource estimate prepared by G Mining Services Inc., an independent Canadian mining consulting firm, represents a 46% increase in Measured and Indicated Resources compared to the previous resource estimate dated April 15, 2015. The new resource is estimated at 42.5 million tonnes grading an average of 1.59% copper and 3.9 g/t silver containing 1.5 billion pounds of copper and 5.4 million ounces of silver in the Measured and Indicated Resource category, using a cut-off grade of 1.0% Cu.

Item 5 - Full Description of Material Change

On October 19, 2017, Highland reported an updated Mineral Resource estimate for its 100%-owned Copperwood Project located in Gogebic County, in the western Upper Peninsula of Michigan, U.S.A. (see Table 1 below).

The updated Mineral Resource estimate prepared by G Mining Services Inc. (“G Mining”), an independent Canadian mining consulting firm, represents a 46% increase in Measured and Indicated Resources compared to the previous resource estimate dated April 15th, 2015. The new resource is estimated at 42.5 million tonnes grading an average of 1.59% copper and 3.9 g/t silver containing 1.5 billion pounds of copper and 5.4 million ounces of silver in the Measured and Indicated Resource category, using a cut-off grade of 1.0% Cu. There were gains in all resource categories except in the satellite zones. This will provide a solid base for the current update to the feasibility study that is expected to be completed in the second quarter of 2018.

In May, Highland retained the services of G Mining as lead consultant for the preparation of an update to the feasibility study (“FS update”) on the Copperwood project. G Mining used the results of the 2017 drilling program to update the resource estimate that had been reported in the NI 43-101 technical report generated in 2015.

The 2017 drilling program consisted of 32 HQ-diameter and three PQ-diameter drill holes for a total of 6,784 meters of core or approximately 74% of the planned 9,198 meters budgeted for the drilling program. The program was designed to upgrade the current Inferred Mineral Resources at the eastern section of the deposit, obtain metallurgical samples and carry out geotechnical studies to refine the mining plan - all of these objectives

were realized. Every drill hole intersected copper-silver mineralization, as expected. The drilling provided 527 samples for copper and silver assaying and 607 kg taken for metallurgical testing.

The current Mineral Resource estimate is based on 2,738 assay results from 359 diamond drill holes totaling 66,577 meters, drilled by four companies between 1956 and 2017. The conversion of Indicated Resources into Measured Resources was robust in the zones drilled during 2017. Complete results of the drilling program will be posted on the Company's website. The Company anticipates that, once the drilling program in the eastern section of the deposit is completed, most of the Inferred Resources in the Copperwood LCBS (Lower Copper Bearing Sequence) will move into the Indicated Resource category.

**Table 1 - Copperwood Project
Mineral Resource Estimate – October 18, 2017**

Deposits	Resource Category	Tonnage (Mt)	Copper Grade (%)	Silver Grade (g/t)	Copper Contained (M lbs)	Silver Contained (M oz)
Copperwood	Measured	26.8	1.69	4.59	1,000	4.0
	Indicated	11.6	1.50	2.68	383	1.0
LCBS	M + I	38.4	1.63	4.02	1,383	5.0
	Inferred	4.6	1.36	1.69	138	0.3
Copperwood	Measured	-	-	-	-	-
	Indicated	4.1	1.19	3.33	107	0.4
UCBS	M + I	4.1	1.19	3.33	107	0.4
	Inferred	0.3	1.05	3.23	8	0.0
Satellite LCBS	Inferred	33.2	1.21	2.37	885	2.5
Satellite UCBS	Inferred	6.1	1.15	4.75	155	0.9

Notes on Mineral Resource Estimate

- (1) Mineral Resources are reported using a copper price of US\$ 3.00/lb and a silver price of US\$ 18/oz.
- (2) A payable rate of 96.5% for copper and 90% for silver was assumed
- (3) The 2012 Copperwood feasibility study by Orvana Minerals Corp. reported metallurgical testing with recovery of 86% for copper and 50% for silver
- (4) Cut-off grade of 1.0% copper was used, based on an underground “room and pillar” mining scenario
- (5) Operating costs are based on a processing plant located at the Copperwood site
- (6) An NSR sliding scale royalty is applicable and equivalent to 3.0% at US\$ 3.00/lb
- (7) Measured, Indicated and Inferred Mineral Resources have a drill hole spacing of 175 m, 250 m, and 350 m, respectively
- (8) No mining dilution and mining loss were considered for the Mineral Resources
- (9) Rock bulk densities are based on rock types
- (10) Classification of Mineral Resources conforms to CIM definitions

- (11) The qualified person for the estimate is Mr. Réjean Sirois, P. Eng, Vice President Geology and Resources for G Mining Services Inc. The estimate has an effective date of October 18, 2017
- (12) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues
- (13) LCBS : Lower Copper Bearing Sequence
- (14) UCBS : Upper Copper Bearing Sequence
- (15) The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as Indicated or Measured Mineral Resources.

The sensitivity of Inferred, Measured and Indicated Resources to variations in cut-off grade is represented below in Table 2.

**Table 2 - Copperwood Project
Sensitivity by Cut-off Grades – October 18, 2017**

Deposits	Cut-off Grade (% Cu)	Tonnage (Mt)	Copper Grade (%)	Silver Grade (g/t)	Copper Contained (M lbs)	Silver Contained (M oz)
Copperwood Measured & Indicated LCBS + UCBS	2.0%	6.8	2.34	6.32	350	1.4
	1.5%	22.1	1.90	4.96	926	3.5
	1.0%	42.5	1.59	3.95	1,490	5.4
	0.8%	48.9	1.50	3.74	1,616	5.9
Copperwood Inferred LCBS + UCBS	2.0%	0.1	2.17	2.70	3	-
	1.5%	1.4	1.67	2.49	52	0.1
	1.0%	4.9	1.34	1.78	146	0.3
	0.8%	11.4	1.08	1.63	270	0.6
Inferred Satellite LCBS + UCBS	2.0%	0.6	2.19	3.06	28	0.1
	1.5%	2.7	1.79	3.14	107	0.3
	1.0%	39.3	1.20	2.74	1,040	3.4
	0.8%	89.8	1.03	3.49	2,040	10.1

Mineral Resource Estimate Methodology

The Mineral Resource estimate was based on a block model characterised by two separate copper-bearing sequences, the Lower Copper Bearing Sequence (“LCBS”: including the Gray Laminated, Red Massive, and Domino units), and the Upper Copper Bearing Sequence (“UCBS”). Individual units within the LCBS were modelled and estimated separately according to the logged geological units. Uncapped raw assays were composited into separate geological units (Domino, Red Massive and Grey Laminated), with one composite per

drill hole produced for each unit. For the UCBS, a grade-based modelling approach was adopted where a single layer was modelled based on assays greater than 1% Cu. This approach was applied due to a lack of historical logging and some ambiguity regarding the UCBS position in the stratigraphy. Variography studies undertaken on each geological unit highlighted strong continuity of copper and silver grades, with a low nugget effect observed. A bulk density of 2.7 g/cm³ was applied to Domino and Red Massive units, and 2.72 g/cm³ was applied to the Grey Laminated and UCBS units. Copper and silver grades were estimated using the ordinary kriging (OK) interpolation method in three successive passes, using ellipse ranges of 175 m, 250 m, and 350 m. To address the currently accepted minimum mining height of 2 m, copper and silver grades were diluted in areas where the LCBS is less than 2 m in height. Dilution grades were derived from a grade estimation of the hanging wall sediments (Red Laminated unit), which was modelled as a 50 cm buffer zone situated directly above the LCBS.

To define resource categories, G Mining outlined groups of globally similar interpolation passes. Measured Mineral Resources thus constitute the bulk of the mineral resources in the Copperwood Deposit area and include blocks interpolated generally in the first pass. Indicated Mineral Resources are located at the periphery of the measured category where blocks are generally interpolated in the second pass. All other interpolated blocks are categorized in the Inferred Mineral Resource category, including all blocks in the satellite deposits.

The comparison between the 2017 update and the previous 2015 estimate is presented in the Table 3 below. A gain is observed in all resources categories except for the surrounding satellite LCBS, which was not drilled in 2017. That decrease is due to the transfer from Inferred to Indicated and Measured Resource categories.

**Table 3 - Copperwood Project
Comparison with April 2015 Estimate**

Deposits	Resource Category	Tonnage (Mt)	Copper Contained (M lbs)	Silver Contained (M oz)
Copperwood LCBS	Measured	+ 4.3	+ 139	+ 0.3
	Indicated	+ 5.0	+ 183	+ 0.5
	M + I	+ 9.3	+ 322	+ 0.8
	Inferred	+ 2.7	+ 86	+ 0.2
Copperwood UCBS	Measured	-	-	-
	Indicated	+ 4.1	+ 107	+ 0.4
	M + I	+ 4.1	+ 107	+ 0.4
	Inferred	+ 0.3	+ 8	+ 0.0
Satellite LCBS	Inferred	- 5.4	- 165	- 0.1
Satellite UCBS	Inferred	+ 6.1	+ 155	+ 0.9

Data Verification

The qualified person (QP) responsible for the Mineral Resource estimates has supervised and reviewed the available data used, including drill logs, assay certificates, down-hole surveys, and additional supporting information sources. The QP is of the opinion that the drill hole database is in good condition and could be used with confidence in the Mineral Resource estimate.

Qualified Person

Réjean Sirois, P. Eng, Vice President of Geology and Resources for G Mining is the qualified person, as defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), responsible for the mineral resource estimates for the Copperwood Project as reported herein. He has read and approved the technical portions of this news release.

Carlos H. Bertoni, P. Geo., Vice President, Exploration for Highland, is the qualified person for 2017 drilling program, which generated the data used for the Mineral Resource estimate.

G Mining is completing a NI 43-101 technical report for the mineral resource estimate, to be filed on SEDAR within 45 days of this press release.

Cautionary Statement

This press release contains certain forward-looking statements within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, including, without limitation, statements relating to the mineral resource estimate, the potential timing and preparation of the FS Update on the Copperwood deposit and the potential upgrade of inferred resources to measured and indicated category are forward-looking statements. These may also include statements regarding perceived merit of properties; exploration plans and budgets; mineral reserves and resource estimates; work programs; capital expenditures; timelines; strategic plans; market prices for copper; or other statements that are not statements of fact. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the uncertainties involving the need for additional financing to develop properties and availability of financing in the debt and capital markets; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of reserves and resources; the need for cooperation of government agencies and native groups in the development and operation of properties; the need to obtain permits and governmental approvals; risks of construction and mining projects such as accidents, equipment breakdowns, bad weather, non-compliance with environmental and permit requirements, 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. 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.

Cautionary Note to United States Investors

Highland advises U.S. investors that this press release contains the terms "inferred", "indicated" and "measured" resources. All resource estimates have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards on Mineral Resources and Mineral Reserves. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource information contained therein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an

"inferred resource" will ever be upgraded to a higher category. U.S. investors are cautioned not to assume that all or part of an inferred resource exists, or is economically or legally mineable. U.S. Investors are also cautioned not to assume that all or any part of mineral deposits in the "measured" or "indicated" resource categories will ever be converted into reserves.

Item 6 - Reliance on subsection 7.1(2) of National Instrument 51-102

There is no reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7 - Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 - Executive Officer

Carole Plante, corporate secretary
Telephone: (450) 677-2455

Item 9 - Date of Report

October 27, 2017.