



## INFORMATION CIRCULAR FOR THE 2019 ANNUAL GENERAL MEETING TO BE HELD ON DECEMBER 12, 2019

This information circular is furnished in connection with the solicitation of proxies by the management of Highland Copper Company Inc. for use at the 2019 annual general meeting of the shareholders to be held at 10:30 a.m. (local time) on Thursday, December 12, 2019, (the “**Meeting**”) at 1111 St-Charles St. West, West Tower, Suite 101, Longueuil QC J4K 5G4 for the purposes set forth in the notice of meeting.

In this information circular, references to “**Highland**”, “**the Company**”, “**we**” and “**our**” refer to Highland Copper Company Inc. and “**Board**” or “**Board of Directors**” means the board of directors of the Company. “**Shares**” means common shares in the capital of the Company and “**Shareholders**” means persons who hold Shares. “**Beneficial Shareholders**” means shareholders whose names do not appear in the records of the Company and whose Shares are held in the name of an Intermediary, as described under the heading *Beneficial Shareholders* below, and “**Registered Shareholders**” means Shareholders whose names appear in the records of the Company as registered holders of Shares. “**TSXV**” refers to the TSX Venture Exchange. “**CEO**” means chief executive officer and “**CFO**” means chief financial officer.

Information contained in this information circular is given as at **October 28, 2019** unless otherwise indicated. All dollar figures are in Canadian dollars unless otherwise specified.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail but proxies may also be solicited personally or by telephone by directors, officers or regular employees of the Company, none of whom will receive extra compensation for these activities. The cost of this solicitation will be borne by the Company.

If you are a Registered Shareholder, you can vote in person at the Meeting or by proxy as explained below. If you are a Beneficial Shareholder, follow the instructions provided by your Intermediary – see the heading *Beneficial Shareholders* below.

#### Appointment of Proxies

As a Registered Shareholder, you may wish to vote by proxy whether or not you are able to attend the Meeting in person.

The individuals named in the form of proxy provided by the Company (the “**Proxy**”) are directors or officers of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the Proxy or some other suitable form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), **by fax** within North America at 1.866.249.7775, outside North America at 416.263.9524, or **by mail** or **by hand** to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll-free number given on the Proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll free number, the holder’s account number and the Proxy access number; or
- (c) using the Internet through the website of the Company’s transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the Proxy for the Shareholder’s account number and the Proxy access number;

in all cases ensuring that the Proxy or some other suitable form of proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or the adjournment thereof at which it is to be used.

#### Voting by Proxy

Your Shares will be voted for or against, or withheld from voting on each item listed on the Proxy in accordance with your instructions on your Proxy.

**If you do not specify how you want to vote on any item listed on the Proxy, the directors or officers named in the Proxy will vote the Shares represented by the Proxy FOR the approval of that item.**

If you choose to appoint someone other than the directors or officers named in the Proxy to vote on your behalf at the Meeting, he or she will vote your Shares in accordance with your instructions. On items for which you do not specify how you want to vote, your proxyholder will vote your Shares as he or she sees fit.

The Proxy also gives discretionary authority to the proxyholder, whether a director or officer of the Company or a person named by you, to vote your Shares as he or she sees fit on any other matter that may properly come before the Meeting.

### **Beneficial Shareholders**

**The information set forth in this section is of importance to many Shareholders as a substantial number of Shareholders are Beneficial Shareholders whose Shares are not registered in their own names.**

The Shares of a Beneficial Shareholder are registered in the name of (a) an intermediary such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) a clearing agency (such as The Canadian Depository for Securities Limited in Canada or Cede & Co. in the United States) of which the intermediary is a participant, all of which are referred to as "**Intermediaries**" in this information circular.

Shares held for Beneficial Shareholders by Intermediaries can only be voted at the Meeting upon the instructions of the Beneficial Shareholder. **Therefore, if you are a Beneficial Shareholder, you should ensure that your voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Beneficial Shareholders may have been sent a request for voting instructions (a "**VIF**") instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct its Intermediary how to vote on behalf of the Beneficial Shareholder. VIFs should be completed and returned in accordance with the specific instructions noted on the VIF.

If you are a Beneficial Shareholder who received a VIF and you wish to attend the Meeting or have someone else attend on your behalf, you may complete the appointment section of the VIF, inserting the name of the person (yourself or someone else) whom you wish to appoint to attend and vote your Shares at the Meeting. **Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.**

### **Revocation of Proxies**

Any Registered Shareholder who has returned a form of proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder or its attorney authorized in writing may revoke a proxy by an instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited with Computershare within the time period and in the manner set out under the heading *Appointment of Proxies* above, or by mail or delivery at the attention of the Company's corporate secretary at 1111 St-Charles St. West, West Tower, Suite 101, Longueuil QC J4K 5G4, at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof, or with the chair of the Meeting on the day of the Meeting. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

**Only Registered Shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change his or her vote must provide instructions in advance of the cut-off date specified by the Intermediary, so that the Intermediary can change the voting instructions on the Beneficial Shareholder's behalf.**

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The voting securities of the Company consist of an unlimited number of Shares. As at the date of this information circular, 472,933,689 Shares were issued and outstanding, with each Share carrying the right to one vote at the Meeting. November 1, 2019 has been fixed by the Board of Directors as the record date for the purpose of determining those Shareholders entitled to receive notice of, and to vote at the Meeting. To the knowledge of the directors and senior officers of the Company, the only persons beneficially owning, directly or indirectly, or exercising control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Company are as follows:

<b>Name</b>	<b>Common Shares</b>	<b>% of all Outstanding Shares of the Company</b>
Orion Mine Finance <sup>(1)</sup>	141,670,434	29.96
Greenstone Resources II LP	80,700,000	17.06

(1) Orion Mine Finance Mgmt I Ltd owns 74,420,434 Shares (15.74%) and Orion Mine Finance Mgmt II Ltd owns 67,250,000 Shares (14.22%).

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. With respect to the election of directors, there are five director positions to be filled. If there are more nominees for election as directors than there are vacancies to fill, the five nominees receiving the greatest number of votes will be elected. If the number of nominees for election is equal to the number of vacancies to be filled, all such nominees will be declared elected by acclamation.

### INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed in this information circular, no (a) director or executive officer of the Company who has held his or her position at any time since July 1, 2019; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### PARTICULARS OF MATTERS TO BE ACTED ON AT THE MEETING

#### 1. FINANCIAL STATEMENTS

The annual consolidated financial statements of the Company for the financial year ended June 30, 2019 together with the report of the auditors thereon, and the related management discussion and analysis will be placed before the Shareholders at the Meeting. The annual consolidated financial statements of the Company were filed under the Company's profile at [www.sedar.com](http://www.sedar.com) and mailed to Shareholders in accordance with applicable laws and written instructions received from Shareholders or Intermediaries. Additional copies may be obtained from the secretary of the Company upon request and will be available at the Meeting. No action is required to be taken at the Meeting with respect to the financial statements.

#### 2. ELECTION OF DIRECTORS

The Board of Directors is currently composed of five directors. In February 2019, Mr. Luc Lessard resigned as director for personal reasons and has not been replaced. The term of office of the five remaining directors will expire at the Meeting or when their successors are duly elected or appointed. Management is proposing to nominate the five persons listed in the table below for re-election as directors of the Company to hold office until the next annual general meeting of Shareholders or until their successors are duly elected, unless their office is earlier vacated in accordance with the articles of the Company or the provisions of the British Columbia *Business Corporations Act* ("BCBCA").

**Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the election of the five management nominees for director named in the table below.**

The following table sets out the names of management's nominees for election as directors, all offices and positions with the Company and any of its significant affiliates each nominee now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this information circular:

Name, Residence and Position with Company	Director since	Principal occupation	Shares beneficially owned or controlled <sup>(1)</sup>
<b>David A. Fennell</b> <sup>(4)</sup> Nassau, Bahamas <i>Executive chair</i>	October 11, 2012	Mr. Fennell is Executive Chair of the Company and of Reunion Gold Corporation. He is a mining executive and has been acting in various executive positions with publicly listed resource companies since 1998.	27,270,736
<b>Denis Miville-Deschênes</b> <sup>(4)</sup> Quebec, Canada <i>President, CEO and Director</i>	February 16, 2017	Mr. Miville-Deschênes is President and CEO of the Company. He is a mining engineer with over 30 years of experience in the design, development and construction of mines. He was Senior Vice President at IAMGOLD, responsible for project development and construction from 2006 to 2014.	3,992,000
<b>Jean Desrosiers</b> <sup>(2)(3)</sup> Quebec, Canada <i>Director</i>	October 26, 2017	Mr. Desrosiers, a retired mining engineer, is a corporate director. He had a lengthy career in mining operations with Glencore Xstrata, Falconbridge Ltd and Noranda.	Nil

Name, Residence and Position with Company	Director since	Principal occupation	Shares beneficially owned or controlled <sup>(1)</sup>
<b>John L. Johnson</b> <sup>(2)(3)</sup> Texas, USA <i>Director</i>	October 11, 2012	Mr. Johnson is a corporate director and private investor. He founded and was managing director of NFJ Investment Group LLC, an investment management firm part of Allianz Global Investors until his retirement in December 2017.	12,250,000
<b>Jo Mark Zurel</b> <sup>(2)(3)</sup> Newfoundland, Canada <i>Director</i>	October 11, 2012	Mr. Zurel is corporate director and President of Stonebridge Capital, a private investment company. Mr. Zurel, ICD.D, is a Fellow of the Association of the Chartered Professional Accountants of Newfoundland and Labrador.	1,166,650

- (1) Information as to voting shares beneficially owned, not being within the knowledge of the Company, has been verified by the respective nominees individually.
- (2) Audit committee member.
- (3) Compensation and corporate governance committee member.
- (4) Environment, health, and safety committee member.

Except as described below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this information circular, or has been, within 10 years before the date of this information circular, a director, CEO or chief financial officer of any company (including the Company) that,
- (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (ii) after that person had ceased to act in that capacity, but in respect of an event that occurred while the proposed director was so acting, resulted in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### *Additional Information about the Board*

For additional information about the Board, including compensation, corporate governance practices, independence and directorships, please see *Executive Compensation – Director Compensation* and *Corporate Governance Practices – Composition of the Board of Directors*.

### **3. APPOINTMENT OF AUDITORS**

KPMG LLP have been the auditors of the Company since October 11, 2012. The Board of Directors recommends that KPMG LLP be reappointed as auditors of the Company, with their remuneration to be fixed by the Board.

**Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the reappointment of KPMG LLP as auditors for the year ending June 30, 2020.**

### **4. APPROVAL OF 10% ROLLING STOCK OPTION PLAN**

Under TSXV's policies, all incentive option plans that are "rolling" plans are subject to annual shareholder approval. The Company's stock option plan is a 10% "rolling" plan (the "**Highland Plan**"). The purpose of the Highland Plan is to attract and retain directors, officers, employees, and consultants and to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Shares. The Highland Plan is subject to the requirements of TSXV Policy 4.4 and was most recently approved by Shareholders at the annual general meeting held on December 5, 2018. No changes have been made to the Highland Plan since it was last approved.

#### *Material terms of the Highland Plan*

The maximum number of Shares issuable under the Highland Plan is 10% of the total number of Shares issued and outstanding from time to time. Persons who are directors, officers, employees (including management company employees) of or consultants to the Company or

its affiliates are eligible to receive options under the Highland Plan. Options are not assignable or transferable and may be granted for a term of up to ten years.

Disinterested Shareholder Approval (approval by majority vote, exclusive of votes cast by insiders and their associates) is required where: (a) any optionee is granted options exceeding 5% of the outstanding Shares in a 12 month period; (b) insiders are granted options exceeding 10% of Shares in a 12 month period; or (c) the Company reduces the exercise price of an outstanding option.

Without prior TSXV consent, (a) options over no more than 2% of Shares in the aggregate can be granted to persons conducting ‘Investor Relations Activities’ in any 12 month period, and (b) options over no more than 2% of Shares can be granted to any one consultant in any 12 month period.

Options will expire 90 days after the optionee ceases to provide services to the Company or an affiliate, except in the case of death or dismissal for cause. In the case of death, an optionee’s vested options will remain exercisable by the optionee’s estate until the earlier of one year after the optionee’s death and the original expiry date of the option. Where an optionee is dismissed for cause, all options, vested and un-vested, will terminate immediately on the date of dismissal without any right of exercise. Where the expiry date of an option would otherwise fall during or within nine business days after a black-out period when trading in the Company’s securities is prohibited, the date of expiry will be extended to the tenth business day following the end of the black-out period.

Subject to TSXV requirements, the Board has the authority in its discretion to set terms of vesting, if any (which may be time-based vesting terms or performance-based vesting terms) and the exercise price of each option, which must be no less than 100% of fair market value, based upon the closing price of the Shares on the TSXV on the last trading day prior to the date of grant. In the event of a change of control (as defined in the Highland Plan) or a takeover bid for the Company, the Highland Plan provides for accelerated vesting of unvested options, subject to any approval requirements under TSXV’s policies.

Subject to TSXV’s policies and the rights of holders of existing options, the Board has the discretion to amend, suspend, terminate or discontinue the Highland Plan.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution ratifying and approving the Highland Plan as follows:

“Be it resolved as an ordinary resolution that the Company’s stock option plan, as described in the information circular dated October 28, 2019, be and hereby is approved, ratified and confirmed.”

**Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the approval of the Highland Plan.**

## **5. OTHER MATTERS TO BE ACTED ON**

Management knows of no amendment, variation or other matter to come before the Meeting. However, if any other matter properly comes before the Meeting, the Proxy and VIF furnished by the Company confer discretion on the persons authorized in the Proxy or VIF to vote on the matter as they see fit.

### **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

In this section “**named executive officer**” or “**NEO**” means each CEO, each CFO, and the most highly-compensated executive officers, other than each CEO and CFO, who was serving as executive officers at June 30, 2019 and whose total salary and bonus exceeded \$150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as a NEO of the Company at June 30, 2019.

Denis Miville-Deschênes, president and CEO, Alain Krushnisky, CFO, and David A. Fennell, executive chair, were the Company’s NEOs for the year ended June 30, 2019.

#### **Director and Named Executive Officer compensation, Excluding Compensation Securities**

The following table discloses all compensation for each of the two most recently completed financial years, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company.

### Table of Compensation excluding Compensation Securities

Name and Position	Financial Year ended June 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
David A. Fennell Executive chair	2019	330,140	Nil	Nil	18,000 <sup>(2)</sup>	Nil	330,140
	2018	380,251 <sup>(1)</sup>	Nil	Nil	18,000 <sup>(2)</sup>	Nil	380,251 <sup>(1)</sup>
Denis Miville-Deschênes President, CEO and Director	2019	250,000	Nil	Nil	Nil	Nil	250,000
	2018	250,000	Nil	Nil	Nil	Nil	250,000
Alain Krushnisky CFO	2019	112,500	Nil	Nil	Nil	Nil	112,500
	2018	129,000	Nil	Nil	Nil	Nil	129,000
Jean Desrosiers Director	2019	15,000	Nil	Nil	Nil	Nil	15,000
	2018	9,625	Nil	Nil	Nil	Nil	9,625
John L. Johnson Director	2019	10,000	Nil	Nil	Nil	Nil	10,000
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Luc Lessard <sup>(3)</sup> Director	2019	5,000	Nil	Nil	Nil	Nil	5,000
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Jo Mark Zurel Director	2019	15,000	Nil	Nil	Nil	Nil	15,000
	2018	15,000	Nil	Nil	Nil	Nil	15,000

(1) These amounts represent the equivalent in Canadian dollars calculated on a monthly basis, based on the Bank of Canada monthly exchange rate. The average of the monthly exchange rates used is C\$1.32:US\$1.00 in 2019 and C\$1.27:US\$1.00 in 2018.

(2) Represents a living allowance.

(3) Luc Lessard resigned on February 22, 2019.

#### Stock Options and Other Compensation Securities

There were no compensation securities granted or issued during the financial year ended June 30, 2019. At June 30, 2019, the total number of stock options held by each of the NEOs and directors as well as the percentage relative to the total number of options outstanding on June 30, 2019 (13,685,000) were as follow: David A. Fennell 2,530,000 (18.5%), Denis Miville-Deschênes 3,000,000 (21.9%), Alain Krushnisky 1,000,000 (7.3%), John L. Johnson 290,000 (2.1%), Jo Mark Zurel 290,000 (2.1%) and Jean Desrosiers 250,000 (1.8%).

#### Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by any director or NEO during the year ended June 30, 2019.

#### Stock Option Plans and Other Incentive Plans

The Company has one stock option plan, the Highland Plan, which is described above under *Approval of 10% Rolling Stock Option Plan - Material Terms of the Highland Plan*. The Highland Plan was most recently approved by Shareholders at the meeting on December 5, 2018. Highland has granted no stock options except under the Highland Plan and has no other incentive plans of any type. As at the record date, there were a total of 9,915,000 stock options issued and outstanding under the Option Plan, exercisable to acquire 9,915,000 Shares.

#### Employment, Consulting and Management Agreements

David A. Fennell, the Company's executive chair, provided his services to Highland under terms approved by the Board upon recommendation of the compensation and corporate governance committee (the "**Compensation Committee**"). Until December 31, 2018, Mr. Fennell's annual base salary was US\$300,000; effective January 1, 2019, Mr. Fennell's base salary was reduced to US\$200,000. Should the employment of Mr. Fennell be terminated without cause or as a result of a change of control, Mr. Fennell would be entitled to receive a lump sum payment of US\$300,000.

Denis Miville-Deschênes, the Company's President and CEO, provides his services to the Company under terms approved by the Board upon recommendation of the Compensation Committee. Mr. Miville-Deschênes' annual base salary is \$250,000. He is entitled to receive a performance bonus of up to \$250,000 based on the achievement of corporate and individual objectives. Should the employment of Mr. Miville-Deschênes be terminated without cause or as a result of a change of control, he would be entitled to receive a lump sum payment of \$500,000.

Alain Krushnisky, the Company's CFO, provides his services under a consulting agreement with the Company. Mr. Krushnisky invoices the Company a flat monthly fee for his services. Should the Company terminate Mr. Krushnisky's consulting agreement, he would be entitled to receive a termination payment of \$150,000. Mr. Krushnisky would also be entitled to receive \$150,000 if his consulting agreement is terminated following a change of control of the Company.

## Oversight and Description of Director and NEO Compensation

As set out under the *Corporate Governance Practices* section below, the Company has a Compensation Committee which, among other matters, is responsible for assisting and making recommendations to the Board with respect to executive compensation and overall compensation strategy for the NEOs in line with the responsibilities and risks of public companies. The Compensation Committee is composed of three directors, Jean Desrosiers (chair), Jo Mark Zurel and John L. Johnson, all of whom are independent, as defined in applicable securities laws (see *Corporate Governance Practices – Composition of the Board of Directors* below). The Compensation Committee has not retained the services of a compensation consultant or advisor during the most recently completed financial year.

### *Compensation Objectives and Elements of NEOs Compensation*

The Company's approach is to compensate its NEOs appropriately and to provide long-term incentive compensation in line with the interest of the Company's shareholders and the best interests of the Company taking into account a variety of considerations, including the Company's performance and its financial circumstances, the executive's scope of responsibilities, competencies and contribution to the Company's performance, and any other relevant factors. The Company has not yet engaged in the practice of benchmarking by comparing compensation across a designated peer group of companies.

Executive compensation may be comprised of three elements: salary or fees, bonuses, and stock options. Salaries, fees and bonuses are intended to provide base compensation and a short-term incentive to meet the Company's goals, as well as to remain competitive within the industry. The Board, on recommendation of the Compensation Committee, has discretion to grant bonuses to executive officers from time to time, but the Company currently has no formal bonus plan or arrangement in place.

The Compensation Committee does consider the risks associated with the Company's compensation policies and practices and when appropriate seeks legal advice. The Compensation Committee is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk.

Given the Company's current size and stage of development, stock options form an important part of the Company's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time. Option grants are intended to reinforce the recipients' commitment to the long-term development and success of the Company, and to reward overall corporate performance, as measured through the price of the Company's shares. The Company considers the grant of stock options to its executive officers to be a method of compensation that helps to attract and retain qualified personnel. In determining the size and vesting conditions of option grants to executive officers, the Compensation Committee considers several factors, including prior grants, the expected contributions of the executive officers to the Company's future success, the number of Shares issued and outstanding as well as the trading price of the Shares. Generally, stock options granted by the Company will vest over two years: one third on the grant date and one third on the first and second anniversary of the grant date. The Company's senior management usually presents recommendations to the Compensation Committee on the grant of options.

During the financial year ended June 30, 2019, no stock options or bonuses were granted to NEOs. Due to the Company's financial situation, Mr. Fennell, the executive chair, voluntarily reduced his salary by 33% effective January 1, 2019 and Mr. Krushnisky, CFO, voluntarily reduced his compensation by 25% effective May 1, 2019.

### *Director compensation*

Non-executive director compensation is set by the full Board. It consists of quarterly fees of \$2,500 plus an additional \$1,250 per quarter for directors who chair committees of the Board. The non-executive directors are also eligible to receive stock options.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth details of all equity compensation plans of the Company as at June 30, 2019. The only equity compensation plan the Company has is the Highland Plan.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	13,685,000 Shares	\$0.17	33,608,368 Shares
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>13,685,000 Shares</b>	<b>\$0.17</b>	<b>33,608,368 Shares</b>

(1) The maximum number of Shares issuable under the Highland Plan is limited to 10% of the total number of Shares outstanding from time to time. The figures in this column are based upon 472,933,689 Shares issued and outstanding at June 30, 2019.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this information circular, no current or former director, executive officer or employee of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries in relation to a purchase of securities or otherwise, or to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described in this information circular, no informed person (as defined in National Instrument 51-102) or proposed director of the Company, and, to the knowledge of the Company, no associate or affiliate of the foregoing persons, has or had a material interest, direct or indirect, in any transaction since July 1, 2018, or in any proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries.

## MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Company or its subsidiary.

## CORPORATE GOVERNANCE PRACTICES

Canadian securities regulatory policy as reflected in National Instrument 58-101 - Disclosure of Corporate Governance Practices (“**NI 58-101**”) requires that TSXV-listed companies must disclose on an annual basis their approach to corporate governance. National Policy 58-201 - Corporate Governance Guidelines (“**NP 58-201**”) provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Company’s approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the “**Policies**”) as well as its compliance with the mandatory rules relating to audit committees is set out below.

### Composition of the Board of Directors

The Policies require that the board of directors of a listed issuer determine and disclose the status of each director as independent or not, based on each director’s interest in or other relationship with the issuer. Under the Policies, the applicable definition of independence is that contained in National Instrument 52-110 – Audit Committees (“**NI 51-110**”), under which a director is “independent” where he or she “has no direct or indirect material relationship” with the issuer. A “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement.

The Board is currently composed of five directors of whom three can be considered “independent” directors. These are John L. Johnson, Jo Mark Zurel and Jean Desrosiers. The non-independent directors are David A. Fennell (executive chair) and Denis Miville-Deschênes (president and CEO). The Board is proposing to re-elect these five directors. The Board does not have an independent chair or a lead director. However, the independent directors meet in an *in camera* session after each board meeting and can otherwise communicate as they deem necessary. Over the last year, Mr. Zurel has generally led the *in camera* sessions and has reported to the executive chair. The Board believes that Messrs. Zurel, Johnson and Desrosiers as a group are experienced, familiar with the expectations of independent directors, and capable of exercising independent judgment.

The following table sets forth the nominees for director of the Company who are currently directors of other reporting issuers:

Directors	Other Reporting Issuers
David A. Fennell	Reunion Gold Corporation, Sabina Gold & Silver Corp. and Torex Gold Resources Ltd.
Jo Mark Zurel	Major Drilling Group International Inc. and Fortis Inc.

### Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new directors will be provided with information designed to familiarize them with the Company’s projects, strategic plans, significant financial, accounting and risk management issues, its compliance programs, its principal officers, independent auditors and outside legal advisors.

Members of the Board are encouraged: to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations, when they are able. Members of the Board have full access to the Company’s records.

## **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics and a whistleblower policy for its directors, officers, employees, and contractors (the “**Code**”), which can be viewed on the Company’s website at [www.highlandcopper.com](http://www.highlandcopper.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The Board is responsible for monitoring compliance with the Code. There are also potential conflicts of interest to which some of the directors and officers will be subject with respect to the operations of the Company. Certain of the directors and/or officers have significant shareholdings in other companies and serve as directors and/or officers of other reporting and non-reporting issuers. Any conflicts of interest will be subject to and governed by the law applicable to directors’ and officers’ conflicts of interest, including the procedures prescribed by the *Business Corporations Act* (British Columbia) and the Company’s Code.

## **Nomination of Directors**

The Board has not established a nominating committee. In circumstances where the Company needs to nominate new directors, current directors will present candidates to the Board for consideration and potential nomination as a director.

## **Compensation**

The Compensation Committee is currently comprised of Jean Desrosiers (chair), Jo Mark Zurel and John L. Johnson, all of whom are independent. Part of the committee’s mandate is to assist and make recommendations to the Board with respect to executive compensation and overall compensation strategy for the officers. The Compensation Committee is responsible for reviewing and recommending senior executive officers’ corporate goals and objectives, assessing their performance against those goals and objectives, and based on that, making recommendations for executive’s compensation taking into consideration what is being paid by companies of similar size and stage of development, as well as the Company’s financial resources and performance. The Compensation Committee is also responsible to oversee corporate governance matters, succession planning and for administering and interpreting the Highland Plan and reviewing directors’ compensation.

## **Other Board Committees**

The Board has an environment, health, and safety committee currently comprised of David A. Fennell and Denis Miville-Deschênes; Mr. Luc Lessard was the chair of the committee until his resignation in February 2019. Since then Mr. Miville-Deschênes has reported on environment, health, and safety matters to the full Board at each Board meeting.

## **Record of Attendance**

There were eight meetings of the Board during the financial year ended June 30, 2019 and all directors were present in person or by telephone at each meeting.

## **Assessments**

The Compensation Committee is responsible for developing and instituting a plan to measure the effectiveness of the Board as a whole, the committees of the Board, and individual Board members. The Company believes that an appropriate size is between five and nine directors. The Board is currently composed of five directors with skills and experience in the mining industry, corporate finance, and capital markets.

## **AUDIT COMMITTEE**

NI 52-110 requires the Company as a ‘venture issuer’ to disclose annually in its information circular the following information concerning the audit committee and its relationship with its independent auditors.

### **Audit Committee Charter**

The audit committee is governed by its charter, which is attached to this information circular as Exhibit A.

### **Composition of the Audit Committee**

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of an issuer’s board of directors, reasonably interfere with the exercise of a member’s independent judgment, or is one of the relationships that is deemed material, as set out above under *Composition of the Board of Directors*. A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The current members of the audit committee are Jo Mark Zurel (chair), Jean Desrosiers and John L. Johnson. All members of the audit committee are financially literate and independent.

## Relevant Education and Experience

*Jo Mark Zurel*, FCPA, ICD.D, is a chartered professional accountant and holds a Bachelor of Commerce from Dalhousie University. He is a Fellow of the Association of Chartered Professional Accountants of Newfoundland and Labrador. Mr. Zurel has been president of Stonebridge Capital Inc. a private investment company since 2006. From 1998 to 2006, he was senior vice-president and chief financial officer of CHC Helicopter Corporation. Mr. Zurel previously served as Chair of the board of Newfoundland Power Inc. and is a board member of Major Drilling Group International Inc. and Fortis Inc., both reporting issuers. Mr. Zurel is also a board member of the Canada Pension Plan Investment Board, as well as private companies and non-profit organizations.

Mr. Zurel is Chair of the audit committee and a member of the Compensation Committee. He has been a Director of the Company since October 2012.

*Jean Desrosiers* is retired from the position of Vice President – Mining Operations for Glencore Xstrata, where he was responsible for mining operations and exploration, having held that position since the acquisition of Falconbridge Ltd. by Xstrata Plc. in 2006. Prior to that, Mr. Desrosiers was Vice President Zinc for Falconbridge and Noranda, responsible for zinc mining operations since 1998. From 2010 to September 2019, Mr. Desrosiers was a Board member of Major Drilling International Group Inc., a reporting issuer. Mr. Desrosiers graduated as a mining engineer in 1971 from École Polytechnique de Montréal and has over 40 years of experience in the mining business.

Mr. Desrosiers has been a director of the Company since November 2017. Mr. Desrosiers is currently the Chair of the Compensation Committee and is a member of the audit committee

*John L. Johnson*, B.A. (finance), MLA, CFA, has over four decades of diverse experience in the investment industry, with a special focus on investment research in the natural resource sectors. He founded and was a managing director of his own investment management firm, NFJ Investment Group, now a subsidiary of Allianz Global Investors of Munich, Germany. Mr. Johnson has a good understanding of the mining industry in general.

Mr. Johnson has been a director of the Company since October 2012. He is a member of the audit committee and the Compensation Committee.

## Audit Committee Oversight

Since the commencement of the most recently-ended financial year, the audit committee has not made any recommendation to the Board of Directors to nominate or compensate any external auditor that has not been adopted by the Board.

## Reliance on Certain Exemptions

At no time since the commencement of the most recently-ended financial year has the Company relied on an exemption under section 2.4 of NI 52-110 (*De Minimis* Non-audit Services) or from the application of NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

## Pre-Approval Policies and Procedures

The audit committee charter requires the Committee to pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors.

## External Auditor Service Fees (by category)

The aggregate fees billed by the Company's external auditors in each of the last two financial years are as follows:

Financial Year Ending June 30	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2019	\$55,000	Nil	\$28,000	-
2018	\$44,000	Nil	\$29,100	\$13,500

- (1) Audit fees are fees billed by the Company's external auditor for services provided in auditing the annual financial statements.
- (2) Audit-related fees are fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.
- (3) Tax fees are fees billed by the external auditor for tax compliance, tax advice and planning.
- (4) All other fees are fees billed by the external auditor for products and services not included in the categories described above.

## Venture Issuers Exemption

The Company is relying on the exemptions in section 6.1 of NI 52-110, which provide that the Company, as a venture issuer, is not required to comply with Part 5 (reporting obligations).

## **APPROVAL OF DIRECTORS**

This information circular has been approved by the Board of Directors of the Company.

## **ADDITIONAL INFORMATION**

Additional information about the Company is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's audited consolidated financial statements, the report of the auditor, and management's discussion and analysis for the year ended June 30, 2019 (the "**Financial Statements**"). Shareholders may obtain copies of the Financial Statements upon request to the Company's corporate secretary at 1111 St-Charles St. West, West Tower, Suite 101, Longueuil, QC J4K 5G4, telephone number 450.677.2455 or toll-free at 1.855.677.4826, facsimile number 450.677.2601, by email at [info@highlandcopper.com](mailto:info@highlandcopper.com) or on the Company's website at [www.highlandcopper.com](http://www.highlandcopper.com).

## **BY ORDER OF THE BOARD**

*"Denis Miville-Deschênes"*  
President and CEO

## CHARTER OF THE AUDIT COMMITTEE

This charter shall govern the activities of the audit committee (the “Committee”) of the board of directors (the “Board”) of Highland Copper Company Inc. (the “Corporation”).

### Mandate

The purpose of the Committee is to provide assistance to the Board in fulfilling its stewardship responsibility for the Corporation with respect to the quality and the integrity of the Corporation’s financial reporting practices, the qualifications and independence of the independent auditors of the Corporation (the “Independent Auditors”) and the audit process. In so doing, it is the responsibility of the Committee to facilitate and promote free and open communication between the directors of the Corporation, the Independent Auditors and the financial management of the Corporation.

The function of the Committee is one of oversight. Management is responsible for the preparation, presentation and integrity of the Corporation’s financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Corporation. The Independent Auditors are responsible for auditing the Corporation’s annual financial statements.

### Composition

1. The Committee must be composed of a minimum of three directors of the Corporation, the majority of whom are independent (as defined by applicable laws, regulations, rules and policies).
2. Each member of the Committee shall be financially literate and at least one member shall have expertise in financial reporting.
3. The members of the Committee will be appointed by the Board annually at the first meeting of the Board following the annual meeting of the shareholders to serve until the next annual meeting of shareholders or until their successors are duly appointed.
4. The Board shall designate one member to act as chair of the Committee (the “Chair”) or, if it fails to do so, the members of the Committee shall appoint the Chair among its members.

### Meetings

5. The Committee shall meet at least quarterly, with the authority to convene additional meetings as circumstances require. A majority of the members of the Committee shall constitute a quorum.
6. The Committee shall, when appropriate, hold *in camera* sessions without management present.
7. The Committee shall keep minutes of its meetings which shall be available for review by the Board. The Committee may appoint any person who need not be a member, to act as the secretary at any meeting. The Committee may invite such officers, directors and employees of the Corporation and such other advisors and persons as it may see fit, from time to time, to attend at meetings of the Committee.

8. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier if the Committee deems necessary.

### Responsibilities

#### *Financial Accounting, Internal Controls and Reporting Process*

9. The Committee is responsible for:
  - (a) oversight of internal controls over financial reporting of the Corporation;
  - (b) reviewing and reporting to the Board on the quarterly and annual financial statements and management’s discussion and analysis (“MD&A”);
  - (c) satisfying itself that the audit function has been effectively carried out;
  - (d) discussing and meeting with, when it deems appropriate to do so and no less frequently than annually, the Independent Auditors, the Chief Financial Officer (“CFO”) and any other member of management it wishes to, to review accounting principles, practices, judgments of management, internal controls and such other matters as the Committee deems appropriate;
  - (e) reviewing any post-audit or management letter containing the recommendations of the Independent Auditors and management’s response and subsequent follow-up to any identified weaknesses; and
  - (f) reviewing accounting and financial human resources succession planning within the Corporation.

#### *Public Disclosure*

10. The Committee shall:
  - (a) review the annual and interim financial statements and related MD&A, news releases that contain significant financial information that has not previously been released to the public, and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws and satisfy itself that the documents do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made before the Corporation publicly discloses this information; and
  - (b) satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements and periodically assess the adequacy of these procedures.

#### *Risk Management*

11. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the

steps management has taken to minimize such risks. In conjunction with the Compensation and Corporate Governance Committee of the Board, annually review the directors' and officers' third-party liability insurance of the Corporation.

#### ***Independent Auditors***

12. The Committee shall be responsible for recommending to the Board, for appointment by shareholders, a firm of external auditors to act as Independent Auditors and for monitoring the independence and performance of the Independent Auditors, including attending at private meetings with the Independent Auditors and reviewing and approving their remuneration.
13. The Committee shall be responsible for resolving disagreements between management and the Independent Auditors regarding financial reporting.
14. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.
15. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
16. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit.
17. The Committee shall obtain reports from the Independent Auditors (either orally or in writing) describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
18. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
19. The Committee shall monitor and assess the relationship between management and the Independent Auditors, and monitor the independence and objectivity of the Independent Auditors.

#### ***Corporate Conduct***

20. The Committee shall ensure that there is an appropriate standard of corporate conduct including a corporate code of ethics.

21. The Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or control related matters.

22. The Committee shall oversee the Company's compliance and reporting process under the *Extractive Sector Transparency Measures Act*.

#### ***Other Responsibilities***

23. The Committee shall review and assess the adequacy of this mandate from time to time and at least annually and submit any proposed revisions to the Board for approval.
24. The Committee shall perform any other activities consistent with this mandate and applicable law, as the Committee or the Board deems necessary or appropriate.

#### ***Authority***

25. The Committee has the authority to:
  - (a) engage, at the expense of the Corporation, independent counsel and other experts or advisors as it determines necessary to carry out its duties;
  - (b) set and pay the compensation for any independent counsel and other experts and advisors retained by the Committee;
  - (c) communicate directly with the independent auditors of the Corporation (the "Independent Auditors");
  - (d) conduct any investigation appropriate to its responsibilities, and request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee; and
  - (e) have unrestricted access to the books and records of the Corporation.

