



# Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2024

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 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.**  
**Consolidated Statements of Financial Position**

<i>(Unaudited, in US dollars)</i>	September 30, 2024	June 30, 2024
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 17,080,374	\$ 20,262,813
Sales tax receivable	86,210	74,666
Prepaid expenses and other receivables	458,836	375,090
	<b>17,625,420</b>	<b>20,712,569</b>
Non current assets		
Environmental bond (Note 4a)	2,370,544	2,351,632
Investment in associate (Note 4b)	16,326,007	16,040,034
Exploration and evaluation assets (Note 4)	19,625,861	19,520,861
<b>Total assets</b>	<b>\$ 55,947,832</b>	<b>\$ 58,625,096</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,047,977	\$ 1,373,965
Income tax payable	9,878	9,878
	<b>2,057,855</b>	<b>1,383,843</b>
Non current liabilities		
Loans and borrowings (Note 5)	5,627,958	2,383,329
Deferred income tax liability	964,018	964,018
Asset retirement obligation (Note 6)	1,208,206	1,184,752
<b>Total liabilities</b>	<b>\$ 9,858,037</b>	<b>\$ 5,915,942</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	\$ 83,948,586	\$ 83,948,586
Contributed surplus	17,087,043	16,766,368
Deficit	(55,589,667)	(48,633,682)
Cumulative translation adjustment	643,833	627,882
<b>Total equity</b>	<b>\$ 46,089,795</b>	<b>\$ 52,709,154</b>
<b>Total liabilities and equity</b>	<b>\$ 55,947,832</b>	<b>\$ 58,625,096</b>

Going concern (Note 2)

*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*

Barry O'Shea, CEO

*/s/ Jo Mark Zurel*

Jo Mark Zurel, Director

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

<i>(Unaudited, in US dollars)</i>	<b>Three months ended</b>	
	<b>2024</b>	<b>September 30 2023</b>
<b>Expenses and other items</b>		
Exploration and evaluation (Note 9)	\$ 3,243,405	\$ 4,745,834
Management and administration (Note 10)	650,666	776,505
Depreciation and amortization	-	640
Share-based compensation	320,675	96,157
Gain on sale of controlling interest in White Pine (Note 4b)	-	(39,521,720)
Accretion on environmental liability	23,454	-
Share of loss in associates (Note 4b)	2,855,287	83,025
Interest expense (Note 5)	103,369	-
Finance income	(252,651)	(73,798)
Loss (gain) on foreign exchange	11,780	(443,600)
<b>Net (loss) income for the period</b>	<b>(6,955,985)</b>	<b>34,336,957</b>
Other comprehensive loss		
Item that may be subsequently reclassified to income		
Foreign currency translation adjustment	15,951	(325,614)
<b>Comprehensive (loss) income for the period</b>	<b>\$ (6,940,034)</b>	<b>\$ 34,011,343</b>
<b>Basic and diluted (loss) income per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.05</b>
<b>Weighted average number of common shares</b>		
basic and diluted	736,363,619	736,363,619

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

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

<i>(Unaudited, in US dollars)</i>	Three months ended	
	September 30	
	2024	2023
<b>Operating activities</b>		
Net (loss) income for the period	\$ (6,955,985)	\$ 34,336,957
Adjustments		
Share-based compensation	320,675	96,157
Depreciation and amortization	-	640
Gain on sale of controlling interest in White Pine (Note 4b)	-	(39,521,720)
Share of loss in associates (Note 4b)	2,855,287	83,025
Accretion on environmental liability	23,454	-
Accrued Interest expense on Kinterra loan (Note 5)	103,369	-
Interest income	(252,651)	-
Unrealized gain on foreign exchange	11,780	(443,600)
Changes in working capital items		
Accounts receivable	(11,544)	(294,414)
Prepaid expenses and deposits	(83,746)	(96,030)
Accounts payable and accrued liabilities	674,012	1,354,253
	<b>(3,315,350)</b>	<b>(4,484,732)</b>
<b>Investing activities</b>		
Reimbursement of an environmental bond	-	(1,654,047)
Interest received	233,739	-
Additions to capital assets	-	(65,000)
Additions to exploration and evaluation assets - Copperwood (Note 4)	(105,000)	-
Net proceeds from sale of controlling interest in White Pine (Note 4b)	-	28,190,688
Investment in associate	-	(34,000)
	<b>128,739</b>	<b>26,437,641</b>
Effect of exchange rate changes on cash held in foreign currency	4,172	117,786
Net change in cash and cash equivalents	<b>(3,182,439)</b>	22,070,695
Cash and cash equivalents, beginning of the period	<b>20,262,813</b>	7,030,317
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 17,080,374</b>	<b>\$ 29,101,012</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.**  
**Consolidated Statements of Shareholders' Equity**

<i>(Unaudited, 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, 2024</b>	<b>736,363,619</b>	<b>83,948,586</b>	<b>16,766,368</b>	<b>(48,633,682)</b>	<b>627,882</b>	<b>\$ 52,709,154</b>
Net loss for the period	-	-	-	(6,955,985)	-	(6,955,985)
Share-based compensation	-	-	320,675	-	-	320,675
Foreign currency translation adjustment	-	-	-	-	15,951	15,951
<b>Balance at September 30, 2024</b>	<b>736,363,619</b>	<b>\$ 83,948,586</b>	<b>\$ 17,087,043</b>	<b>\$ (55,589,667)</b>	<b>\$ 643,833</b>	<b>\$ 46,089,795</b>
Balance at June 30, 2023	736,363,619	\$ 83,948,586	\$ 16,058,937	\$ (72,830,802)	803,043	\$ 27,979,764
Net income for the period	-	-	-	34,336,957	-	34,336,957
Share-based compensation	-	-	96,157	-	-	96,157
Foreign currency translation adjustment	-	-	-	-	(325,614)	(325,614)
Balance at September 30, 2023	736,363,619	\$ 83,948,586	\$ 16,155,094	\$ (38,493,845)	477,429	\$ 62,087,264

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

# Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
For the three months ended September 30, 2024 and 2023  
(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 assets, located in Michigan’s Upper Peninsula region, include the 100%-owned Copperwood copper project (the “Copperwood Project”) and the 34%-owned White Pine North copper project (the “White Pine North Project”).

All financial results in these 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 November 25, 2024.

## 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 three months ended September 30, 2024, the Company had negative cash flows from operations of \$3,315,350 (\$4,484,732 for three months ended September 30, 2023). In addition, the Company had an accumulated deficit of \$55,589,667 as at September 30, 2024 (\$48,633,682 as at June 30, 2024). The Company will require additional financing to fund its operations and to meet its planned investment in the Copperwood and White Pine North projects. As at September 30, 2024, the Company had working capital (total current assets less total current liabilities) of \$15,567,565 (\$19,328,726 as at June 30, 2024) and believes it has sufficient liquidity to meet its obligations for the next 12 months. However, since the Company is in the exploration and evaluation stage, no revenue nor positive cash flow has yet been generated from its operating activities. The Company has relied upon external financings, primarily through the issuance of equity, exercise of warrants and share options, as well as proceeds from the disposal of exploration and evaluation assets, to fund its operations in the past. While the Company has

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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.

### 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, 2024, 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, 2024.

#### 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, 2024, to all the periods presented in these condensed interim consolidated financial statements.

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

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than June 30, 2025. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to

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have a material impact or management has not yet assessed the impact on the Company's consolidated financial statements.

#### 4. EXPLORATION AND EVALUATION ASSETS

	<b>Copperwood Project</b>
Balance at June 30, 2023	\$ 18,070,084
Additions to exploration and evaluation assets	266,025
Addition to asset retirement obligation	1,184,752
<b>Balance at June 30, 2024</b>	<b>\$ 19,520,861</b>
Additions to exploration and evaluation assets	105,000
<b>Balance at September 30, 2024</b>	<b>\$ 19,625,861</b>

##### a) Environmental Bond

In July 2023, the Company secured a surety bond as financial assurance for the Copperwood Project. The Company paid a cash deposit of \$2,267,680, which represents 35% of the financial assurance valued at \$6,479,089. The Company earned interest on the bond of \$18,912 for the three months ended September 30, 2024 (\$83,952 during the year ended June 30, 2024). The value of the environmental bond as at September 30, 2024 is \$2,370,544 (June 30, 2024 - \$2,351,632).

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

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

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

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

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

The following table details the gain on sale recorded in the statement of (loss) income for the three months ended September 30, 2023:

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

Investment in associate:

	<b>Three months ended</b>	Year ended
	<b>September 30, 2024</b>	June 30, 2024
<b>Opening Balance</b>	<b>\$ 16,040,034</b>	\$ -
Fair value of retained non-controlling investment in White Pine Copper	-	15,454,545
Cash calls	<b>3,141,260</b>	2,487,782
Share of loss	<b>(2,855,287)</b>	(1,902,293)
<b>Ending Balance</b>	<b>\$ 16,326,007</b>	\$ 16,040,034

## 5. LOANS AND BORROWINGS

In addition to its \$30 million initial investment in White Pine LLC (see note 4b), the Company and Kinterra have agreed to fund, subject to certain conditions, expenditures with respect to the Initial Program to advance the White Pine North Project. Kinterra will fund its 66% pro rata expenditure, as well as provide an unsecured loan to the Company to satisfy its pro rata expenditure, to be used at Highland's discretion. The unsecured loan (the "Initial Loan") is subject to an interest rate of 10%, compounded annually from the date of each advance, and matures on July 24, 2026 (the "Initial Maturity Date"). If the Company does not repay all amounts owing under the Initial Loan, including all accrued interest thereon by the Initial Maturity Date, all amounts outstanding under the Initial Loan will be automatically converted into a capital contribution of Kinterra, hence diluting the Company's proportionate ownership in the White Pine North Project.

A second unsecured loan (the "Advanced Loan") will become available to the Company to fund its pro rata expenditure after the Initial Loan has been spent on the White Pine North Project, provided that the Company has repaid the Initial Loan upon maturity, or such amounts have been converted to Kinterra

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capital contribution. The Advanced Loan is subject to an interest rate of 10%, compounded annually from the date of each advance, and matures on the earlier of i) July 24, 2028 and ii) the date of determination by White Pine North Project's management committee to commence detailed engineering (the "Advanced Loan Maturity Date"). If the Company does not repay all amounts owing under the Advanced Loan, including all accrued interest thereon by the Advanced Loan Maturity Date, all amounts outstanding under the Advanced Loan will be automatically converted into a capital contribution of Kinterra Copper, hence diluting the Company's proportionate ownership in the White Pine North Project.

The balance of the Initial Loan is as follows:

	<b>Three months ended September 30, 2024</b>
<b>Balance at June 30, 2024</b>	\$ 2,383,329
Cash call funded by Kinterra on behalf of Highland Copper	3,141,260
Accrued interest	103,369
<b>Balance at September 30, 2024</b>	<b>\$ 5,627,958</b>

  

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

### 6. ASSET RETIREMENT OBLIGATION

During the three months ended September 30, 2024, the Company continued early site work at Copperwood. The Early Site Work primarily concentrated on the timely completion of authorized wetland and stream activities alongside the onsite wetland and stream mitigation activities. To efficiently perform the permitted wetlands and stream impacts, the surrounding upland areas were disturbed to create access routes and laydowns. These disturbances would require future reclamation activities. The asset retirement obligation consists of a provision for reclamation costs related to the Copperwood Project. The undiscounted cash flow amount for the early works reclamation and the monitoring wells was estimated at \$1,722,673 at September 30, 2024. The present value of this liability was calculated using a weighted average discount rate of 4.20% and is reflecting payments to be made from 2039 to 2040 and in 2059, while taking into consideration an inflation rate of 2.0% over that period.

## Highland Copper Company Inc.

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The following table summarizes the Company's asset retirement obligation as at September 30, 2024 and June 30, 2024:

	Copperwood Project	White Pine Project	Total
Balance at June 30, 2023	-	1,939,141	1,939,141
Addition to asset retirement obligation	1,184,752	-	1,184,752
Disposition of controlling interest in White Pine	-	(1,939,141)	(1,939,141)
<b>Balance at June 30, 2024</b>	<b>\$ 1,184,752</b>	<b>-</b>	<b>\$ 1,184,752</b>
Addition to asset retirement obligation	23,454	-	23,454
<b>Balance at September 30, 2024</b>	<b>\$ 1,208,206</b>	<b>-</b>	<b>\$ 1,208,206</b>

### 7. SHARE CAPITAL

*Issued and fully paid*

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

### 8. 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.

As at September 30, 2024, the Company had 47,863,891 (39,550,002 as at June 30, 2024) issued and outstanding stock options.

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The following is a summary of stock option activities for three months ended September 30, 2024 and year ended June 30, 2024:

	Three months ended September 30, 2024		Year ended June 30, 2024	
	Number of stock options	Weighted average exercise price (C\$)	Number of stock options	Weighted average exercise price (C\$)
Options, beginning of period	39,550,002	0.10	23,300,000	0.12
Granted	9,825,000	0.12	16,250,002	0.07
Forfeited	(1,511,111)	0.08	-	-
<b>Options, end of period</b>	<b>47,863,891</b>	<b>0.10</b>	<b>39,550,002</b>	<b>0.10</b>

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

Grant date	Number of stock options	Weighted average exercise price (C\$)	Remaining contractual life (years)	Number of exercisable options	Weighted average exercise price of exercisable options (C\$)
December 16, 2021	3,500,000	0.11	2.2	3,500,000	0.11
February 24, 2022	6,500,000	0.15	2.4	6,500,000	0.15
July 25, 2022	13,300,000	0.10	4.8	13,300,000	0.10
October 13, 2023	15,138,891	0.07	6.0	5,416,667	0.07
July 26, 2024	6,850,000	0.12	4.8	2,416,667	0.12
August 19, 2024	825,000	0.12	4.9	275,000	0.12
September 3, 2024	1,750,000	0.12	4.9	583,333	0.12
	<b>47,863,891</b>	<b>0.10</b>	<b>4.7</b>	<b>31,991,667</b>	<b>0.11</b>

The fair value of the options granted during the three months ended September 30, 2024 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 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

There were no options granted during the three months ended September 30, 2023. The Company recognized an expense of \$284,762 related to the stock options during the three months ended September 30, 2024 (\$96,157 during the three months ended September 30, 2023).

### 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

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or shares of the Company, at the sole discretion of the Board. 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 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 September 30, 2024, there were 1,562,500 DSUs and 2,244,242 RSUs outstanding. The Company recognized an expense of \$20,719 for RSU and \$15,194 for DSU during the three months ended September 30, 2024 (\$Nil and \$Nil for three months ended September 30, 2023).

The following is a summary of outstanding DSU and RSU as at September 30, 2024:

	Three months ended September 30, 2024	
	Number of RSU's	Number of DSU's
Beginning of period	-	-
Granted	2,244,242	1,812,500
Forfeited	-	(250,000)
<b>End of period</b>	<b>2,244,242</b>	<b>1,562,500</b>

### 9. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses during the three months ended September 30, 2024 and 2023:

	Three months ended September 30	
	2024	2023
Salaries and consulting fees	\$ 595,613	\$ 469,363
Excavation and site works	2,551,283	4,121,235
Office, overhead and other administrative costs	96,509	155,236
	<b>\$ 3,243,405</b>	<b>\$ 4,745,834</b>

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### 10. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses during the three months ended September 30, 2024 and 2023:

		Three months ended September 30	
		2024	2023
Salaries	\$	385,669	\$ 208,426
Office, overhead and other administrative costs		61,735	48,275
Professional fees		146,188	372,116
Investor relations and travel		57,074	147,688
	\$	650,666	\$ 776,505

### 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.

The calculation of basic and diluted earnings per share for the three months ended September 30, 2023 was based on net income attributable to common shareholders of \$34,336,957 and the weighted average number of common shares outstanding of 736,363,619. All outstanding options were anti dilutive for the three months ended September 30, 2023 because the exercise price was above the average share price during the period.

### 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 months ended September 30, 2024 and 2023, key management compensation comprises:

		Three months ended September 30	
		2024	2023
Salaries, fees, bonuses, and termination payments	\$	416,113	\$ 178,949
Share-based compensation		314,505	96,157
	\$	730,618	\$ 275,106

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### 13. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three months ended	
	September 30	
	2024	2023
<b>Financing activities</b>		
Loans and borrowings from Kinterra to fund White Pine cash calls	\$ 3,141,260	\$ -

### 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 September 30, 2024, managed capital was \$46,089,795 (\$52,709,154 at June 30, 2024).

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 September 30, 2024. The Company is not subject to any externally imposed capital requirements as at September 30, 2024.

### 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 September 30, 2024.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise

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the funds required for its continued operations. The Company generates cash flow only from its financing activities.

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

### September 30, 2024

	Carrying amount	Settlement amount	Within one year	Within two years	Over two years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,047,977	2,047,977	2,047,977	-	-
Loans and borrowings	5,627,958	6,618,064	-	6,618,064	-
	7,675,934	8,666,041	2,047,977	6,618,064	-

### June 30, 2024

	Carrying amount	Settlement amount	Within one year	Within two years	Over two years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,373,965	1,373,965	1,373,965	-	-
Loans and borrowings	2,383,329	2,866,570	-	-	2,866,570
	3,757,294	4,240,535	1,373,965	-	2,866,570

### Credit risk

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

### Interest Rate Risk

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

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

### Currency risk

In the normal course of operations, the Company is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of each of the entities within the consolidated group. The currencies in which these transactions are denominated are primarily the Canadian and the US dollar. The consolidated entity does not presently enter into hedging arrangements

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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 September 30, 2024, financial assets and liabilities denominated in a foreign currency consisted of cash of CAD \$345,125 as well as accounts payable and accrued liabilities of CAD \$253,785. The impact on profit or loss of a 10% increase or decrease in the US dollar against the Canadian dollar would be approximately \$9,000.

### 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. The carrying value of loans and borrowings is considered to be a reasonable approximation of its fair value. The loans and borrowings amount in the balance sheet represents the amount owing to Kinterra Capital ("Kinterra Loan"). The Kinterra loan is a transaction negotiated between two informed unrelated parties; therefore, the transaction price represents fair value of the transaction.

### 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 September 30, 2024</b>	<b>Canada</b>	<b>USA</b>	<b>Total</b>
Current assets	\$ 1,017,019	\$ 16,608,401	\$ 17,625,420
Environmental bond	-	2,370,544	2,370,544
Investment in associate	-	16,326,007	16,326,007
Exploration and evaluation assets	-	19,625,861	19,625,861
<b>Total assets</b>	<b>\$ 1,017,019</b>	<b>\$ 54,930,813</b>	<b>\$ 55,947,832</b>

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