



**Highland
Copper**

Management's Discussion and Analysis

**For the three months ended
September 30, 2025**

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended September 30, 2025

This management discussion and analysis ("MD&A") of financial position and results of operations of Highland Copper Company Inc. ("Highland" or the "Company") is prepared as of November 24, 2025 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended September 30, 2025, the audited consolidated financial statements for the year ended June 30, 2025 and the MD&A for the year ended June 30, 2025, including the section describing risks and uncertainties.

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts are expressed in US dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca and on the Company's website, www.highlandcopper.com.

DESCRIPTION OF BUSINESS

Highland and its subsidiaries are engaged in the acquisition, exploration, and development of mineral properties. The Company's principal projects are Copperwood, a feasibility stage copper project, and White Pine North ("White Pine") (34% interest), an advanced exploration stage copper project, both located in the Upper Peninsula region (the "U.P.") of the State of Michigan, USA. Copperwood is anticipated to produce approximately 30,000 tons of copper per year for 11 years, with potential upside from the inferred tonnage¹. Copperwood is permitted for site development and operation. White Pine is a joint project with Kinterra Copper USA, LLC ("Kinterra"), who is also the operator of the project. White Pine is anticipated to produce approximately 42,000 tons of copper per year for more than 20 years².

Highland is a Canadian-based company, incorporated under the *Business Corporations Act (British Columbia)* in 2006. Highland's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "HI" and on the OTCQB Venture Marketplace (the "OTCQB") under the symbol "HDRSF". As of September 30, 2025, the Company has 736,742,962 common shares issued and outstanding. Orion Resource Partners and Condire Investors LLC hold respectively 27.7% and 16.2% of the Company's issued and outstanding common shares.

¹ See the NI 43-101 technical report entitled "Feasibility Study Update Copperwood Project Michigan, USA" with an issue date of April 20, 2023, prepared for the Company by G Mining Services Inc. and available under the Company's profile on SEDAR+, for the assumptions, risks and analysis underlying anticipated production at the Copperwood Project (the "Copperwood Feasibility Study").

² See the NI 43-101 technical report entitled "Preliminary Economic Assessment White Pine North Project Michigan, USA" with an issue date of September 7, 2023, prepared for the Company by G Mining Services Inc. and available on SEDAR+, for the assumptions, risks and analysis underlying anticipated production at the White Pine Project.

HIGHLIGHTS DURING THE THREE MONTHS ENDED SEPTEMBER 30, 2025

Copperwood Project (“Copperwood”)

- **Metallurgical Test Work:** Process plant redesigned with an optimized comminution circuit, incorporated ultrafine flotation technology, and improved reagent scheme, increasing expected copper recovery to 87.6% at lower capital and operating costs. Glencore Technologies is prepared to offer a performance guarantee for copper recovery estimate.
- **Environmental Stewardship:** Early site work completed on time and within budget. Fully compliant with Michigan Wetlands and Streams Permit; created 18 acres of wetlands, planted approximately 20,000 native trees and plants, and in process to establish a 717-acre wetland preservation area.
- **EXIM Letter of Interest:** Received non-binding Letter of Interest (“LOI”) for up to US\$250 million in potential debt financing under EXIM’s Make More in America Initiative.
- **Phase 1 Engineering Completed:** Subsequent to quarter-end, finalized key design criteria for certain areas of mine, process plant, water management, and Tailings Disposal Facility (“TDF”); assessed risks and opportunities through trade-off studies.

White Pine Project

- Progress has been achieved across multiple disciplines at the White Pine Project, advancing mining and geotechnical engineering, metallurgical, environmental, and permitting activities in support of ongoing project de-risking.
- Completed multiple key environmental baseline studies as part of ongoing preparations for permit submission.
- Ongoing engineering trade-off studies are being conducted prior to commencing the pre-feasibility study for the White Pine Project.

Financial Data

- The Company realized a net loss of \$4.1 million for the three months ended September 30, 2025 (\$0.01 per share) compared to net loss of \$6.9 million during the comparative period last year (\$0.01 per share).
- As at September 30, 2025, the Company had negative working capital (total current assets less total current liabilities) of \$(4.4) million. The Company has the option to settle the current loans and borrowings of \$10.4 million by diluting its interest in White Pine.

PROJECT OVERVIEW AND UPDATES

Copperwood Project

The Copperwood project is Highland's 100%-owned, fully-permitted copper project in the Upper Peninsula, Michigan, USA. The Copperwood Feasibility Study issued in April 2023 (the "Copperwood Feasibility Study") demonstrated a project producing 64.6 million pounds of copper annually (approximately 30 thousand tonnes) over an initial 11-year mine life. Notably, the project has significant leverage to copper price and multiple opportunities to improve project economics, particularly converting its significant inferred resource (which is excluded from Feasibility Study economics).

Table 1 – Metal Price Sensitivities – After-Tax Results¹

Cu Price (\$/lb)	NPV 0% (\$M)	NPV 8% (\$M)	IRR (%)	Payback (years)
5.00	1,013	507	33.4	2.0
4.50	729	333	25.6	2.5
4.25	587	246	21.4	2.9
4.00	456	168	17.6	3.5
3.75	308	75	12.4	4.4

¹ Source: Technical report entitled "Feasibility Study Update Copperwood Project Michigan, USA" with an effective date of March 6, 2023 prepared for Highland by G Mining Services available at www.sedarplus.ca (the "Copperwood Technical Report").

During the quarter ended September 30, 2025, the Company continued to execute on its path to a near-term construction decision at Copperwood:

Metallurgical Test Work

The Metallurgical test program, conducted using the 400 kilograms of core samples collected in the first half of 2025, aimed to improve the process plant design, incorporate ultrafine flotation technology, and optimize the plant's operating cost structure. In September 2025, Highland announced that the process plant had been redesigned with a more efficient comminution circuit, a simplified flotation circuit incorporating Jameson cell ultrafine flotation technology, and an optimized reagent scheme. This redesign is expected to increase copper recoveries to 87.6% at lower plant capital and processing costs. While more effective, the redesigned plant is smaller in scale and requires less overall power. Glencore Technologies is prepared to offer a performance guarantee for the improved copper recovery estimate, reflecting the robustness of the program and its results.

This metallurgical update is a key component of Phase 1 detailed engineering, which aims to finalize design criteria for the process plant, mine, tailings, and water management. The redesigned process plant reflects a significant re-evaluation by Highland's project team.

Metallurgical Test Work Highlights:

- **Comprehensive Testing Program:** Conducted 45 kinetic rougher and cleaner flotation tests to refine grind parameters and reagent schemes, along with locked-cycle tests and pilot-scale testing on ultrafine flotation technology.

- **Optimized Process Circuit:** Adopted a mill-float-mill-float (“MF2”) flowsheet including a de-sliming stage prior to the secondary milling stage. The addition of a de-sliming stage ahead of the secondary milling and roughers allows for the rejection of up to 25% of the mass from the primary rougher tailings. This configuration reduces over-grinding and offers potential comminution energy savings of between 10 and 13.7%.
- **Improved Reagent Scheme:** Developed an optimized reagent suite that is expected to reduce operating costs by up to \$1.00 per tonne milled, while also improving environmental, health and safety (“EH&S”) performance.
- **MF2 Circuit and Improved Reagent Scheme Performance:** Test work with the MF2 circuit and optimized reagent scheme delivered kinetic rougher copper recoveries of up to 92.4% at the target rougher concentrate grade of 4.5% copper, a notable improvement over the 89.7% baseline from 2018 test work. Kinetic cleaner circuit recoveries were maintained at levels comparable to the 2018 baseline. Importantly, locked-cycle tests confirmed up to 85.8% recovery at a 25% copper concentrate grade, demonstrating that the enhanced reagent scheme and MF2 configuration is capable to deliver meaningful operating cost savings without compromising metallurgical performance.
- **Projected Ultrafine Flotation Performance Gains:** Through the introduction of ultrafine flotation technology, the adoption of an MF2 circuit, and the implementation of an optimized reagent scheme, Copperwood is now expected to achieve average copper recovery of 87.6% at a concentrate grade of 25% copper, all at lower operating costs. Glencore Technologies is prepared to offer a process guarantee related to recovery and grade estimates. This marks a significant step-change from the Copperwood Feasibility Study, which reported 86% recovery at 25% copper grade, underscoring the strength of the redesigned metallurgical flowsheet.

Mine Engineering Highlights

Phase 1 mine engineering re-evaluated the mining method, mining equipment and underground ore handling with the goal of reducing technical risk and improving economics.

- **Mining Method:** While the Copperwood Feasibility Study proposes room-and-pillar (“R&P”) mining, Phase 1 evaluated drift-and-fill (“D&F”) in high-grade zones of the ore body. It was identified that D&F could potentially increase mine recoveries from 69% to approximately 94%, extend mine life, and reduce the tailings footprint by using paste backfill. A hybrid approach of D&F in the west and R&P in the east may present an opportunity to improve the economic returns of the project, subject to successful paste test work early in Phase 2 engineering. If paste backfill is determined to be technically viable, Highland will consider other relative merits, including environmental and permitting implications, before considering changing from the R&P mining method for certain areas of the deposit. We are encouraged by the optionality D&F provides and will provide updates on this engineering during Phase 2.
- **Mining Equipment:** During the Phase 1 review, DRA Americas Inc. (“DRA”) reviewed the productivity assumptions regarding roadheader (continuous miner) utilization, particularly their maneuverability and cycle times. As part of an overall mine plan review early in Phase 2, we will continue to assess the technical and financial merits of roadheaders versus conventional drill-and-blast using jumbos.

- **Underground Ore Handling:** Trade-off studies confirmed conveyors as the preferred option over truck haulage, offering the lowest operating cost, minimal ventilation needs, and long-term scalability. The design also maintains flexibility to adopt battery electric vehicle technology in the future.

Tailings & Water Management Engineering Highlights

An integrated approach between DRA, Foth Infrastructure & Environment, LLC and Tetra Tech, Inc delivered a more efficient, lower risk plan for tailings deposition and water management.

- **Thickened Tailings:** The addition of a tailings thickener increases solids content to approximately 50% by mass, cutting tailings handling costs, reducing the scale of the tailings disposal facility footprint, and providing for the immediate recycle of more than 80% of process water needs directly back to the plant. Additionally, the TDF will no longer be used for contact water storage, further reducing dam failure risk. Instead, contact water will be managed in a permanent rainwater retention dam, improving safety and aligning with global standards.
- **Underground Tailings Disposal:** Studies indicate that approximately 7.9 Mm³ of thickened tailings could potentially be stored underground, reducing the required surface TDF footprint by approximately 40%. This option will be further assessed in Phase 2 engineering, including environmental and permitting implications.
- **Water Resilience:** Updated water balance modeling confirmed robust water management across a range of climate scenarios, strengthening ESG performance.

Considerations in Phase 2 Engineering

Labor Costs: As the Copperwood Project advances toward Phase 2 engineering, an updated labor cost survey will be required to accurately reflect the costs and benefits necessary to attract and retain skilled technical personnel and experienced underground equipment operators in Michigan's Upper Peninsula. Several outcomes of the Phase 1 trade-off studies, including mining method selection, equipment deployment, and ore handling strategies, are sensitive to labor costs. These costs will directly impact the overall unit mining cost and, by extension, the project's operating cost structure. A refreshed labor cost baseline will ensure that Copperwood's mine plan is both competitive and realistic, aligning workforce expectations with project requirements while supporting the long-term sustainability of operations in the region.

Integrated Mine Plan Review: The Company will update the Copperwood mine plan to incorporate a revised cut-off grade, integrating the results of the updated labor survey, potential modifications to the mining method and equipment strategy, and broader market inputs such as copper price movements and relevant cost indices. During Phase 2, an in-depth review of the ground support design and associated back height will be undertaken. Given the unique geotechnical conditions, the excavation method, back height, and ground support are highly interdependent and must be evaluated as an integrated system. This integrated systems approach will guide final decisions on mining method selection (including the potential adoption of D&F), ground support design, and the potential implementation of underground tailings disposal. The resulting mine plan will align updated technical solutions and economic assumptions, ensuring both operational efficiency and long-term project viability.

Project Considerations: To the extent any technical optimizations require permit amendments, the project schedule will be adjusted to appropriately reflect timing considerations. Permit amendments may be needed to reflect the optimized process plant design flow sheet, the addition of a tailings thickener, selection of power source to site, and potential mining method and tailings disposal changes. If permits are amended, we will also take the opportunity to resolve any minor discrepancies to project design. We are encouraged that permit amendments under consideration generally improve the environmental footprint of the project, as well as its technical and financial strength. The reduced scale of the process plant, incorporation of a tailings thickener, consideration of D&F mining method, as well as paste backfill of tailings, all demonstrate improved environmental, health and safety characteristics. We are also encouraged by our recent success in amending permits in a timely basis. If we elect to amend permits, the targeted construction decision of Q2 2026 will likely defer to the second half of 2026.

EXIM LOI

On September 16, 2025, the Company announced it received a non-binding Letter of Interest (“LOI”) from the Export-Import Bank of the United States (“EXIM”) for potential debt financing of up to US\$250 million to support development of its Copperwood Project. The LOI was issued under EXIM’s Make More in America Initiative and may also be eligible under EXIM’s China and Transformational Exports Program. EXIM is the official export credit agency of the United States federal government.

The LOI is non-binding, and its issuance does not represent a financing commitment from EXIM, nor is it an explicit indication of the financial or commercial viability of the project. Key details and next steps outlined in the letter include:

- **Potential Debt Financing:** Up to US\$250,000,000 of the project’s costs.
- **Repayment Term:** A potential repayment tenor of 11 years.
- **Next Steps & Conditions:** Upon submission of a formal financing application, EXIM will conduct all required due diligence to assess the potential for a Final Commitment. Any such, commitment will be contingent on meeting EXIM’s underwriting criteria, completing the authorization process, and finalizing all terms and conditions.

Early Site Work

During the quarter, Highland has successfully completed its early site work and environmental mitigation program at the Copperwood Project, fully complying with the Michigan Wetlands and Streams Permit. The program prepared the site for future construction while implementing proactive environmental safeguards, including wetland creation, stream diversion, and revegetation with native trees and plants.

A central component of the program was a significant investment in environmental stewardship to minimize and mitigate the project’s impact. Key activities included:

- **Wetland Creation:** The construction of approximately 18 acres of compensating wetlands to offset impacted areas.
- **Revegetation:** The successful planting of nearly 20,000 native trees, wildflowers, sedges, and rushes in the newly created habitats throughout the stream diversion and wetlands.

- **Long-Term Preservation:** Commitment to establish a 717-acre wetland preservation area, with a conservation easement and long-term management plan being finalized to ensure permanent protection beyond the life of mining operations.

These initiatives underscore Highland's commitment to stringent environmental standards and demonstrate that reclamation can progress concurrently with development. The stream and wetland projects are maturing into high-quality habitats, reinforcing the Company's approach to responsible and sustainable project development.

White Pine Project

The White Pine project is the Company's 34%-owned brownfield copper project which is also located in the Upper Peninsula, Michigan, USA. White Pine has a Preliminary Economic Assessment³ issued in September 2023 (the "White Pine PEA") demonstrating a 22-year mine life with average annual payable copper production of 93.5 million pounds (approximately 42 thousand tonnes).

While Highland focused on the Copperwood project, its partner Kinterra, who owns 66% of the White Pine project, continued to advance White Pine.

Significant progress has been made across multiple disciplines at the White Pine Project, with continued advancement in mining and geotechnical engineering, metallurgical work, environmental studies, and permitting activities. These efforts collectively support the ongoing de-risking of the project and strengthen the foundation for upcoming technical and regulatory milestones.

Kinterra Loan

Highland is funding its share of expenditures on White Pine by drawing down on the loan facility provided by Kinterra. As of September 30, 2025, the outstanding loan balance, including accrued interest, was \$10.4 million.

³ *The preliminary economic assessment is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Information regarding the basis for the preliminary economic assessment and the qualifications and assumptions relied upon, are set out in detail in the report entitled Preliminary Economic Assessment, White Pine North Project, Michigan, USA" dated September 7, 2023 available under Highland's profile on SEDAR+ (the "White Pine Technical Report").*

OUTLOOK

The Company remains committed to proactively advancing Copperwood toward a near-term construction decision, with a focus on long-term value creation for the project and its shareholders. Key strategic initiatives driving this progress include:

- **State Grant Determination:** Anticipated decision on the \$50 million infrastructure grant, which would support critical local infrastructure upgrades and enhance project economics.
- **Federal Funding Review:** Assessment of potential federal funding and financing opportunities, including further engagement with EXIM to support project development under the Make More in America Initiative, with the DOE Loan Programs Office for project financing under Title 17, and with the Department of Defense on potential funding opportunities now that copper has been proposed as a critical mineral by the USGS.
- **Completion of Phase 2 Engineering:** Advancing mine engineering, process plant engineering, and water management engineering to approximately 35% completion, while reaching 85% completion for the Tailings Disposal Facility, positioning the project for final investment decisions.
- **Potential Construction Decision and Project Financing:** With engineering and funding milestones achieved, Highland anticipates a construction decision and initiation of project financing, marking a key transition from development to execution.

At White Pine, we will continue to work alongside Kinterra in advancing the White Pine project through permitting and the pre-feasibility study.

SCIENTIFIC AND TECHNICAL INFORMATION

The scientific and technical information related to Highland's mineral properties set out in this MD&A has been reviewed and approved by Dr. Wynand van Dyk, a qualified person as defined in NI 43-101 and an employee of the Company who is the Project Director for the Copperwood Project.

SELECTED QUARTERLY INFORMATION

The following table provides information for the eight fiscal quarters ended September 30, 2025:

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Exploration and evaluation expenditures	\$ 2,289,733	\$ 2,439,515	\$ 1,712,648	\$ 1,257,563
Net loss	4,134,549	3,008,599	2,694,492	3,104,781
Loss per share - basic and diluted	0.01	0.00	0.00	0.00

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Exploration and evaluation expenditures	\$ 3,243,405	1,541,989	248,435	3,211,949
Net loss (income)	6,955,985	3,396,497	1,870,105	4,873,235
Loss (income) per share - basic and diluted	0.01	0.00	0.00	0.01

The changes in the Company's financial results on a quarter-by-quarter basis are primarily due to fluctuations in the activity level of the Company's exploration and evaluation programs and corporate functions. The Company is a mineral exploration and development company and does not currently generate operating revenue.

The exploration and evaluation expenditures for all quarters ended since December 2023, included costs relating to the early site work conducted at the Copperwood Project required for the Wetlands and Streams Permit. The first phase of the work was completed in the fall of 2023. No site work was carried out during the winter months. The Company re-initiated the second and final phase of the stream and wetland mitigation work in May 2024. Copperwood has completed all obligated early site work as of the date of the MD&A. In addition, the Company commenced a drilling program for metallurgical testing of ultrafine flotation technology during the quarter ended March 31, 2025. Front-End Engineering and Design (FEED) work for phase 1 engineering began in the same quarter and was completed in September 2025.

RESULTS OF OPERATIONS

Results of operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are as follows:

	Three months ended	
	September 30 2025	2024
Exploration and evaluation	\$ 2,289,733	\$ 3,243,405
Management and administration	798,880	650,666
Share-based compensation	272,184	320,675
Re-evaluation adjustment - environmental provision	14,412	23,454
Share of loss in associates	607,668	2,855,287
Finance income	(82,358)	(252,651)
Interest expense on Kinterra loan	238,424	103,369
(Gain) loss on foreign exchange	(4,394)	11,780
Net (loss) income for the period	\$ (4,134,549)	\$ (6,955,985)

Three months ended September 30, 2025 ("Q1 2026") compared to the three months ended September 30, 2024 ("Q1 2025")

Exploration and evaluation expenditures

Exploration and evaluation expenditures decreased by \$0.9 million in Q1 2026 compared to Q1 2025. The early site work, initiated in Q1 2024 and continuing into Q1 2025, included earthworks, excavation, and logging to impact the stream and wetland, as well as site preparation for required mitigation work. The on-site early site work was completed in September 2025. The decrease in site mitigation work was partially offset by an increase of \$0.3 million for Phase 1 engineering.

Management and administration

Management and administration expenditures increased by \$0.1 million in Q1 2026 compared to Q1 2025 primarily due to an increase in investor relations and marketing activities and related travel expenses.

Share-based compensation

The decrease in Share-based compensation is primarily due to a decrease in the number of options granted to the management and directors in the current year compared to the prior year.

Revaluation adjustments of environmental provisions

The Company has recognized an asset retirement obligation related to the early site work. The provisions are revalued at each reporting period. The loss from revaluating environmental provisions in Q1 2026 was primarily due to lower interest rates in current quarter compared to Q4 2025.

Share of loss in associates

The Company accounts for its 34% interest in the White Pine Project using the equity method. The 'share

of loss in associate' recognized for the period reflects the Company's proportionate share of White Pine's loss incurred in Q1 2026. The decrease in Q1 2026 compared to the same period last year is primarily due to lower drilling and baseline activities at White Pine. White Pine conducted a drilling campaign in Q1 2025 while there was no drilling in Q1 2026.

Finance income

Finance income represents interest earned on the Company's cash and cash equivalents. The decrease in finance income in Q1 2026 was primarily due to lower cash balance.

Interest Expense on Kinterra Loan

Kinterra has provided the Company an unsecured loan to satisfy the Company's pro rata expenditure for the Initial Program at White Pine. The unsecured loan is subject to an interest rate of 10%, compounded annually from the date of each advance, and matures on July 24, 2026. The increase in interest expense in Q1 2026 compared to same period last year was due to higher loan balance in current period.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2025, the Company had a negative working capital (total current assets less total current liabilities) of \$(4,435,750) compared to positive \$8,864,698 as at June 30, 2025. The decrease in working capital during the three months ended September 30, 2025, is mainly attributable to the long term loans and borrowings of \$10,375,555 related to the Kinterra loan becoming a current liability, funding of the early site work and engineering activities for the Copperwood Project, as well as general corporate activities. The Company has the option to settle the loans and borrowings of \$10,375,555 by diluting its interest in White Pine. The Company had total assets and total liabilities of \$47,130,849 and \$13,377,172 as at September 30, 2025 compared to \$50,195,178 and \$12,542,080 as at June 30, 2025. The Company had operating cash outflow of \$2,943,301 for the three months ended September 30, 2025, compared to a cash outflow of \$3,081,610 for three months ended September 30, 2024.

The Company will continue to fund its portion of the White Pine Project by drawing on the unsecured loan provided by its partner Kinterra.

The Company is in the exploration and evaluation stage, no revenue nor positive cash flow has yet been generated from its operating activities. The Company has relied upon external financings, primarily through the issuance of equity, exercise of warrants and share options, as well as proceeds from the disposal of exploration and evaluation assets, to fund its operations in the past. While the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the future.

If management is unable to obtain adequate funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The conditions and uncertainties described above indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These interim condensed consolidated financial statements do not reflect any adjustments to the carrying values or

the classification of assets and liabilities and reported expenses that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

OFF BALANCE-SHEET ARRANGEMENTS

During the period ending September 30, 2025, the Company was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, capital expenditure, liquidity, or capital resources of the Company.

RELATED PARTY TRANSACTIONS

Key management personnel are people responsible for planning, directing, and controlling the activities of the Company, including directors and officers. For the three months ended September 30, 2025 and 2024, key management compensation comprises:

	Three months ended September 30	
	2025	2024
Salaries, fees, and bonuses	\$ 617,020	\$ 416,113
Share-based compensation	258,153	314,505
	\$ 875,173	\$ 730,618

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 737,856,062 common shares, 40,973,939 stock options, 3,536,184 Deferred Share Units and 4,613,036 Restricted Share Units outstanding.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

RISKS AND UNCERTAINTIES

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect expectations or beliefs of the Company's management regarding future events. Forward-looking statements include but are not limited to statements with respect to: (i) funding requirements to explore and develop the Copperwood and White Pine projects; (ii) the estimation of mineral resources and mineral reserves at the Company's mineral projects; (iii) the timing of a construction decision and cost of the construction of the Copperwood Project; (iv) the timing and amount of estimated future production, costs of production, capital expenditures, NPV, IRR and Payback for the Copperwood and White Pine projects; (v) the Company's ongoing and proposed activities at Copperwood and Kinterra's ongoing and anticipated activities at White Pine through the White Pine joint operating company ; (vi) the timing of completion of and anticipated results of ongoing studies at Copperwood and White Pine; (vii) the timing of completion of resource updates and a preliminary feasibility study for the White Pine Project; (viii) the anticipated continued draw down of the loan facility by the Company to fund its White Pine project commitments; (ix) the anticipated approval of the grant from the MEDC; (x) the expected timing of the receipt of the test results from the metallurgical drilling program and the completion of remaining work thereunder; (xi) a potential debt financing with EXIM; and (xii) the Company's other plans and objectives, including those under the heading "Outlook".

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including "anticipation", "plan" and "expected".

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and

other factors that may cause actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to: (i) the Company's ability to raise capital necessary to maintain its interest in the White Pine Project and to advance the Copperwood Project; (ii) risks related to the volatility in future prices of copper and other metals which may have a negative impact on the Company's share price or ability to raise funds capital; (iii) the accuracy of mineral resource and mineral reserve estimates, and any inaccuracy of the assumptions used in preparing the Copperwood Feasibility Study and, the White Pine PEA; (iv) increased operating and capital costs which could negatively impact not only the Company's operations, but also the results of the Copperwood Feasibility Study and the White Pine PEA; (v) the impact of inflation on project costs and budgets for 2026 and beyond; (vi) changes to governmental regulations, compliance with governmental regulations and environmental laws and regulations; (vii) reliance on approvals and permits from governmental authorities and the ability of the Company to maintain state permits for Copperwood, or for the White Pine project to obtain necessary permits at White Pine; (viii) challenges to title to the Company's mineral properties; (ix) the ability of the Company to maintain its social license to operate; (x) changes in international trade and other relations or increased protectionist policies may affect costs generally, and the Company's ability to operate in a foreign jurisdiction (xi) dependence on key management personnel; (xii) competition in the mining industry; (xiii) the inability of the Company to insure against all risks; and (xiv) inherent risks involved in the exploration, development and production of minerals, and the presence of unknown geological and other physical and environmental hazards at the Company's projects; as well as those factors detailed from time to time in the Company's interim and annual financial statements and MD&A, the Copperwood Feasibility Study and the White Pine PEA, and the Company's annual information form (if applicable) all of which are, or will be, filed and available for review under the Company's profile on SEDAR+ at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual results, performance, or achievements to differ materially from those described in these forward-looking statements, there may be other factors that cause results, performance, or achievements not to be as anticipated, estimated or intended.

There can be no assurance that these forward-looking statements will prove to be accurate, as actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on these forward-looking statements.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING RESOURCE ESTIMATES

The resource estimates and other technical disclosure in this MD&A were prepared in accordance with National Instrument 43-101 adopted by the Canadian Securities Administrators ("NI 43-101") and the 2014 CIM Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Highland is not required to provide disclosure on its mineral properties in the form required by the United States Securities and Exchange Commission (the "SEC") as Highland is presently a "foreign issuer" under the U.S. Exchange Act. Accordingly, United States investors are cautioned that the disclosure Highland provides on its mineral properties in this MD&A and under its continuous disclosure obligations in Canada may be different from the disclosure that Highland would otherwise be required to provide as a U.S. domestic issuer.

United States investors are cautioned that while terms used under the SEC rules are "substantially similar" to CIM Definitions, there are differences in the definitions.

There is no assurance any resources and reserves that Highland reports as “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” and “proven mineral reserves” and “probable mineral reserves” under NI 43-101 would be the same had Highland prepared these estimates under the standards adopted by the SEC.

United States investors are also cautioned that while the SEC now recognizes “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”, investors should not assume that any part or all the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Investors are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources”, or “inferred mineral resources” that we report in this MD&A are or will be economically or legally mineable.

Further, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.