



Condensed Interim Consolidated Financial Statements

For the three months ended
September 30, 2025

In US dollars
(Unaudited)

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

<i>(in US dollars)</i>	September 30, 2025	June 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,515,675	\$ 10,356,450
Sales tax receivable	76,772	74,650
Prepaid expenses and other receivables	216,294	322,382
	7,808,741	10,753,482
Non current assets		
Environmental bond (Note 4a)	2,229,883	2,448,907
Investment in associate (Note 4b)	17,116,664	17,122,228
Exploration and evaluation assets (Note 4)	19,975,561	19,870,561
Total assets	\$ 47,130,849	\$ 50,195,178
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,868,936	\$ 1,888,784
Current portion of loans and borrowings (Note 5)	10,375,555	-
	12,244,491	1,888,784
Non current liabilities		
Loans and borrowings (Note 5)	-	9,535,027
Asset retirement obligation (Note 6)	1,132,681	1,118,269
Total liabilities	\$ 13,377,172	\$ 12,542,080
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	\$ 83,975,923	\$ 83,948,586
Contributed surplus	17,711,992	17,497,960
Deficit	(68,532,088)	(64,397,539)
Cumulative translation adjustment	597,850	604,091
Total equity	\$ 33,753,677	\$ 37,653,098
Total liabilities and equity	\$ 47,130,849	\$ 50,195,178

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.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

<i>(in US dollars)</i>	Three months ended	
	September 30,	September 30,
	2025	2024
Expenses and other items		
Exploration and evaluation (Note 9)	\$ 2,289,733	\$ 3,243,405
Management and administration (Note 10)	798,880	650,666
Share-based compensation (Note 9)	272,184	320,675
Re-evaluation adjustment - environmental provision (Note 6)	14,412	23,454
Share of loss in associates (Note 4b)	607,668	2,855,287
Interest expense (Note 5)	238,424	103,369
Finance income	(82,358)	(252,651)
(Gain) loss on foreign exchange	(4,394)	11,780
Net loss for the period	(4,134,549)	(6,955,985)
Other comprehensive loss		
Item that may be subsequently reclassified to income		
Foreign currency translation adjustment	(6,241)	15,951
Comprehensive loss for the period	\$ (4,140,790)	\$ (6,940,034)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares		
Basic and Diluted	736,635,685	736,363,619

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

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

<i>(in US dollars)</i>	Three months ended	
	September 30,	September 30,
	2025	2024
Operating activities		
Net loss for the period	\$ (4,134,549)	\$ (6,955,985)
Finance income	(82,358)	(252,651)
Adjustments for non-cash items:		
Share-based compensation	272,184	320,675
Share of loss in associates (Note 4b)	607,668	2,855,287
Re-evaluation adjustment - environmental provision	14,412	23,454
Accrued Interest expense on Kinterra loan (Note 5)	238,424	103,369
Unrealized gain on foreign exchange	(4,394)	11,780
Interest received	61,194	233,739
Changes in working capital items		
Sales tax receivable	(2,122)	(11,544)
Prepaid expenses and other receivables	106,088	(83,746)
Accounts payable and accrued liabilities	(19,848)	674,012
	(2,943,301)	(3,081,610)
Investing activities		
Reimbursement of an environmental bond (Note 4a)	240,188	-
Additions to exploration and evaluation assets - Copperwood (Note 4)	(105,000)	(105,000)
	135,188	(105,000)
Financing activities		
Withholding taxes on RSU settlement	(30,815)	-
Effect of exchange rate changes on cash held in foreign currency	(1,847)	4,171
Net change in cash and cash equivalents	(2,840,775)	(3,182,439)
Cash and cash equivalents, beginning of the period	10,356,450	20,262,813
Cash and cash equivalents, end of the period	\$ 7,515,675	\$ 17,080,374

Supplemental cash flow information (Note 13)

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

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

<i>(in US dollars)</i>	Number of issued and outstanding shares	Share Capital	Contributed Surplus	Deficit	Cumulative translation adjustment	Total shareholders' equity
Balance at June 30, 2025	736,363,619	83,948,586	17,497,960	(64,397,539)	604,091	\$ 37,653,098
Net loss for the period	-	-	-	(4,134,549)	-	(4,134,549)
RSU's vested and settled	379,343	27,337	(58,152)	-	-	(30,815)
Share-based compensation	-	-	272,184	-	-	272,184
Foreign currency translation adjustment	-	-	-	-	(6,241)	(6,241)
Balance at September 30, 2025	736,742,962	\$ 83,975,923	\$ 17,711,992	\$ (68,532,088)	\$ 597,850	\$ 33,753,677
Balance at June 30, 2024	736,363,619	\$ 83,948,586	\$ 16,766,368	\$ (48,633,682)	\$ 627,882	\$ 52,709,154
Net income for the period	-	-	-	(6,955,985)	-	(6,955,985)
Share-based compensation	-	-	320,675	-	-	320,675
Foreign currency translation adjustment	-	-	-	-	15,951	15,951
Balance at September 30, 2024	736,363,619	\$ 83,948,586	\$ 17,087,043	\$ (55,589,667)	\$ 643,833	\$ 46,089,795

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

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

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 24, 2025.

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, 2025, the Company had negative cash flows from operations of \$2,943,301 (\$3,081,611 for three months ended September 30, 2024). In addition, the Company incurred a net loss of \$4,134,549 for the quarter ended September 30, 2025 and had an accumulated deficit of \$68,532,088 as at September 30, 2025 (\$64,397,539 as at June 30, 2025). The Company will require additional financing to fund its operations and to meet its planned investment. As at September 30, 2025, the Company had a negative working capital (total current assets less total current liabilities) of \$(4,435,750) (positive working capital of \$8,864,698 as at June 30, 2025).

The negative working capital arises primarily as a result of the maturity of the Initial loan in July 2026 as explained in note 5. The Company may settle the Initial Loan of \$10,375,555 by raising additional financing or by diluting its interest in White Pine, also explained in note 5. At the date of these financial statements, no additional committed financing has been realized by the Company.

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

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

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

The conditions and uncertainties described above indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect any adjustments to the carrying values or the classification of assets and liabilities and reported expenses that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of presentation

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

b) Critical accounting estimates and judgments

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

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

c) Accounting standards issued but not yet effective

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements. The standard amends the presentation of the statement of income by introducing a newly defined 'operating profit' subtotal and a requirement for income and expenses to be allocated between three new distinct categories based on a company's main business activities, which are Operating, Financing and Investing. In addition, organizations will need to disclose certain 'non-GAAP' measures known as management defined performance measures. The standard will be effective for the Company from July 1, 2027. The Company is assessing the impact of adoption of this amendment on its consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

	Copperwood Project
Balance at June 30, 2024	\$ 19,520,861
Additions to exploration and evaluation assets	349,700
Balance at June 30, 2025	\$ 19,870,561
Additions to exploration and evaluation assets	105,000
Balance at September 30, 2025	\$ 19,975,561

a) Environmental Bond

In July 2023, the Company secured a surety bond as financial assurance for the future reclamation of the Copperwood Project. The Company paid a cash deposit of \$2,267,680, which represents 35% of the financial assurance valued at \$6,479,089. The Company earned interest on the bond of \$21,164 for the three months ended September 30, 2025 (\$18,912 during the three months ended September 30, 2024). During the quarter ended September 30, 2025, the Company received \$240,188 as a return of its cash deposit for financial assurance related to certain completed site work. The value of the environmental bond as at September 30, 2025 is \$2,229,883 (June 30, 2025 - \$2,448,907).

b) Investment in associate

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

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

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.

The following table details the movements in investment in associate:

	Three months ended	Year ended
	September 30, 2025	June 30, 2025
Opening Balance	\$ 17,122,228	\$ 16,040,034
Cash calls	602,104	6,468,159
Share of loss	(607,668)	(5,385,965)
Ending Balance	\$ 17,116,664	\$ 17,122,228

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 an additional capital contribution of Kinterra in the White Pine North Project, hence diluting the Company's proportionate ownership in the White Pine North Project. The dilution will be determined using the formula set out in the JV operating agreement. If the Company elects to dilute, its revised ownership percentage would be calculated as its total contributed capital to the associate to date, minus any unpaid interest, divided by the total contributed capital of all members.

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 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, using the same mechanism described above for the Initial Loan.

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

The balance of the Initial Loan is as follows:

	Amount
Balance at June 30, 2024	\$ 2,383,329
Cash call funded by Kinterra on behalf of Highland Copper	6,468,158
Accrued interest	683,540
Balance at June 30, 2025	\$ 9,535,027
Cash call funded by Kinterra on behalf of Highland Copper	602,104
Accrued interest	238,424
Balance at September 30, 2025	\$ 10,375,555

6. ASSET RETIREMENT OBLIGATION

The Company initiated early site work at Copperwood in late summer 2023. This work was completed as of September 30, 2025. The early site work primarily focused on the timely completion of authorized wetland and stream activities alongside the initiation of onsite wetland mitigation activities. To efficiently perform the permitted wetlands and stream impacts at Copperwood, the surrounding upland areas were disturbed to create access routes and laydowns. These disturbances would require future reclamation activities. The asset retirement obligation consists of a provision for reclamation costs related to the Copperwood Project. The undiscounted cash flow amount for the early works reclamation and the monitoring wells was estimated at \$1,722,673 at September 30, 2025 (\$1,722,673 as at June 30, 2025). The present value of this liability was calculated using a weighted average discount rate of 4.44% (4.20% as at June 30, 2025) and is reflecting payments to be made in years 16, 17 and 35 from the start of construction, while taking into consideration an inflation rate of 2.0% (2.0% as at June 30, 2025) over that period. The following table summarizes the Company's asset retirement obligation as at September 30, 2025 and June 30, 2024:

	Copperwood Project
Balance at June 30, 2024	1,184,752
Change in valuation assumptions used	(66,483)
Balance at June 30, 2025	\$ 1,118,269
Change in valuation assumptions used	14,412
Balance at September 30, 2025	\$ 1,132,681

7. SHARE CAPITAL

Issued and fully paid

As at September 30, 2025, the Company had 736,742,962 issued and outstanding common shares (736,363,619 issued and outstanding common shares at June 30, 2025).

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

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, 2025, the Company had 45,240,606 (38,608,335 as at June 30, 2025) issued and outstanding stock options.

The following is a summary of stock option activities for three months ended September 30, 2025 and year ended June 30, 2025:

	Three months ended September 30, 2025		Year ended June 30, 2025	
	Number of stock options	Weighted average exercise price (C\$)	Number of stock options	Weighted average exercise price (C\$)
Options, beginning of period	38,608,335	0.10	39,550,002	0.10
Granted	6,632,271	0.10	9,825,000	0.12
Forfeited	-	-	(1,511,111)	0.08
Expired	-	-	(9,255,556)	0.12
Options, end of period	45,240,606	0.10	38,608,335	0.10

Stock options issued and outstanding as at September 30, 2025 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	3,000,000	0.11	1.2	3,000,000	0.11
February 24, 2022	2,500,000	0.15	1.4	2,500,000	0.15
July 25, 2022	9,300,000	0.10	3.8	9,300,000	0.10
October 13, 2023	14,583,335	0.07	5.0	9,722,226	0.07
July 26, 2024	6,650,000	0.12	3.8	4,433,334	0.12
August 19, 2024	825,000	0.12	3.9	550,000	0.12
September 3, 2024	1,750,000	0.12	3.9	1,166,666	0.12
July 7, 2025	6,632,271	0.10	4.8	2,210,757	0.10
	45,240,606	0.10	4.1	32,882,983	0.10

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

As at September 30, 2025, all outstanding stock options were held by key management personnel which included the Company's officers and directors.

The fair value of the options granted during the three months ended September 30, 2025 was estimated by applying the Black-Scholes option pricing model using the inputs outlined in the table below:

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

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

The Company recognized an expense of \$193,871 related to the stock options during the three months ended September 30, 2025 (\$284,762 during the three months ended September 30, 2024).

b) Other Equity-based Instruments

Pursuant to the terms of the Plan, the Company may grant deferred shares units ("DSUs") and restricted share units ("RSUs") to eligible Participants. Upon vesting, the DSUs and RSUs may be settled with cash or shares of the Company, at the sole discretion of the Board. The Company intends to settle all DSU's and RSU's in equity. The total number of common shares reserved for issuance, including the shares reserved for stock options, shall not exceed 10% of the issued and outstanding common shares. The RSUs and DSU's were granted on July 26, 2024 and July 7, 2025, and will vest equally every year from the first anniversary until the third anniversary of the grant date. The fair value of a DSU and RSU is determined as the fair market value of a common share of the Company on grant date and recorded in equity reserves. As at September 30, 2025, there were 3,536,184 DSUs and 5,361,117 RSUs outstanding. The Company recognized an expense of \$47,247 for RSU and \$31,066 for DSU during the three months ended September 30, 2025 (\$20,719 for RSU and \$15,194 for DSU for three months ended September 30, 2024).

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

The following is a summary of outstanding DSU and RSU as at September 30, 2025:

	Three months ended September 30, 2025		Year ended June 30, 2025	
	Number of RSU's	Number of DSU's	Number of RSU's	Number of DSU's
Beginning of period	2,244,242	1,562,500	-	-
Granted	3,116,875	1,973,684	2,244,242	1,812,500
Vested and settled	(748,081)	-	-	-
Forfeited	-	-	-	(250,000)
End of period	4,613,036	3,536,184	2,244,242	1,562,500

The Company issued 379,343 common shares to settle 748,081 vested RSUs. The number of shares issued reflects the net amount after withholding taxes applicable to the vested RSUs.

As at September 30, 2025, the number of RSU's outstanding for key management personnel was 3,767,201. All outstanding DSU's are held by the Company's directors.

9. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses during the three months ended September 30, 2025 and 2024:

	Three months ended September 30	
	2025	2024
Salaries and benefits	\$ 510,751	\$ 347,180
Excavation and site works	1,153,644	2,642,036
Engineering	267,769	12,648
Office, overhead and other administrative costs	357,569	241,541
	\$ 2,289,733	\$ 3,243,405

10. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses during the three months ended September 30, 2025 and 2024:

	Three months ended September 30	
	2025	2024
Salaries and benefits	\$ 547,047	\$ 425,721
Office, overhead and other administrative costs	36,193	80,947
Professional fees	78,875	93,961
Investor relations	136,765	50,037
	\$ 798,880	\$ 650,666

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

11. EARNINGS PER SHARE

For periods where the Company records a loss, it calculates diluted loss per share using the basic weighted average number of shares. If the diluted weighted average number of shares were used, the result would be a reduction in the loss, which would be anti-dilutive. All outstanding DSU, RSU and stock options are anti-dilutive.

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, 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

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	
	2025	2024
Financing activities		
Loans and borrowings from Kinterra to fund White Pine cash calls	\$ 602,104	\$ 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, 2025, managed capital was \$44,129,232 (\$47,188,125 at June 30, 2025).

The Company's properties are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flows. The Company intends to raise such funds as and when required to complete the exploration and development of its projects. The only sources of other future

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

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, 2025. The Company is not subject to any externally imposed capital requirements as at September 30, 2025.

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, 2025.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required for its continued operations. The Company generates cash flow only from its financing activities. See note 2.

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

September 30, 2025

	Carrying amount	Settlement amount	Within one year	Two years	Over two years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,868,936	1,868,936	1,868,936	-	-
Loans and borrowings (Note 5)	10,375,555	10,375,555	10,375,555	-	-
	12,244,491	12,244,491	12,244,491	-	-

June 30, 2025

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

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

Credit risk

Credit risk is the risk that the Company will incur losses due to the non-payment of contractual obligations by third parties. The Company is exposed to credit risk with respect to cash and cash equivalents held at major Canadian and US chartered banks, a regional US bank as well as the environmental bond. The Company regularly maintains deposits in accredited financial institutions in excess of federally insured limits. Management believes that the Company is not currently exposed to significant credit risk as the Company's deposits were held in custody at third-party financial institutions.

Interest Rate Risk

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

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

Market Risk

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

Currency risk

In the normal course of operations, the Company is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of each of the entities within the consolidated group. The currencies in which these transactions are denominated are primarily the Canadian and the US dollar. The consolidated entity does not presently enter into hedging arrangements to hedge its currency risk. The Board considers this policy appropriate, considering the consolidated entity's size, current stage of operations, financial position and the Board's approach to risk management.

As at September 30, 2025, financial assets and liabilities denominated in a foreign currency consisted of cash of CAD \$86,089 as well as accounts payable and accrued liabilities of CAD \$204,397. The impact on profit or loss of a 10% increase or decrease in the US dollar against the Canadian dollar would be approximately \$12,000.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents and accounts payable and accrued liabilities is considered to be a reasonable approximation of their fair value due to their immediate or short-term maturity.

Highland Copper Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended September 30, 2025 and 2024
(Unaudited - in US dollars)

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 fair value of loans and borrowings is calculated on the basis of the present value of cash outflows in principal and interest which are discounted at market rates at the reporting date taking into account the Company's credit risk. The carrying value of the loans and borrowings is considered to be a reasonable approximation of fair value because the market conditions did not change significantly since the issuance of the financial instrument.

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:

As at September 30, 2025	Canada	USA	Total
Current assets	\$ 401,219	\$ 7,407,522	\$ 7,808,741
Environmental bond	-	2,229,883	2,229,883
Investment in associate	-	17,116,664	17,116,664
Exploration and evaluation assets	-	19,975,561	19,975,561
Total assets	\$ 401,219	\$ 46,729,630	\$ 47,130,849

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

18. COMPARATIVE FIGURES

Certain comparative figures were changed to align with changes in presentation made during fiscal 2025. During fiscal year 2025, the Company modified the classification of interest received in the cash flow statement. Interest received of \$233,739 was reclassified from the investing activities section of the cash flow to the operating activities section.

These adjustments had no impact on the net loss for the comparative period.