

NOTICE TO READER**February 25, 2026**

These unaudited condensed interim consolidated financial statements are being filed to correct the comparative financial information in the Statement of Changes in Equity. The financial information is corrected to reflect the corresponding interim period in the immediately preceding of December 31, 2024. No other changes have been made to the unaudited condensed interim consolidated financial statements.



Condensed Interim Consolidated Financial Statements

**For the three and six months ended
December 31, 2025**

**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 unaudited 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.
Condensed Interim Consolidated Statements of Financial Position

<i>(in US dollars)</i>	December 31, 2025	June 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,696,419	\$ 10,356,450
Sales tax receivable	82,553	74,650
Prepaid expenses and other receivables	201,771	322,382
	5,980,743	10,753,482
Non current assets		
Environmental bond (Note 4a)	2,248,649	2,448,907
Investment in associate (Note 4b)	16,023,922	17,122,228
Exploration and evaluation assets (Note 4)	20,080,261	19,870,561
Total assets	\$ 44,333,575	\$ 50,195,178
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,318,865	\$ 1,888,784
Current portion of loans and borrowings (Note 5)	10,918,231	-
	12,237,096	1,888,784
Non current liabilities		
Loans and borrowings (Note 5)	-	9,535,027
Asset retirement obligation (Note 6)	1,122,395	1,118,269
Total liabilities	\$ 13,359,491	\$ 12,542,080
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	\$ 84,122,955	\$ 83,948,586
Contributed surplus	17,659,484	17,497,960
Deficit	(71,412,421)	(64,397,539)
Cumulative translation adjustment	604,066	604,091
Total equity	\$ 30,974,084	\$ 37,653,098
Total liabilities and equity	\$ 44,333,575	\$ 50,195,178

Going concern (Note 3)

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/ Iain Farmer

Iain Farmer, Director

Highland Copper Company Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

<i>(in US dollars)</i>	Three months ended December 31		Six months ended December 31	
	2025	2024	2025	2024
Expenses and other items				
Exploration and evaluation (Note 9)	\$ 729,944	\$ 1,257,563	\$ 3,019,677	\$ 4,500,968
Management and administration (Note 10)	422,554	416,567	1,221,434	1,067,233
Share-based compensation (Note 9)	168,269	144,056	440,453	464,731
Re-evaluation adjustment - environmental provision (Note 6)	(10,286)	(123,972)	4,126	(100,518)
Share of loss in associates (Note 4b)	1,376,590	1,429,282	1,984,258	4,284,569
Interest expense (Note 5)	258,828	168,622	497,252	271,991
Finance income	(73,155)	(201,006)	(155,513)	(453,657)
Loss (gain) on foreign exchange	7,589	(30,853)	3,195	(19,073)
Net loss income before income tax expense	(2,880,333)	(3,060,259)	(7,014,882)	(10,016,244)
Current income tax expense	-	44,522	-	44,522
Net loss income for the period	(2,880,333)	(3,104,781)	(7,014,882)	(10,060,766)
Other comprehensive loss				
Item that may be subsequently reclassified to income				
Foreign currency translation adjustment	31,272	(47,103)	(25)	(31,152)
Comprehensive loss for the period	\$ (2,849,061)	\$ (3,151,884)	\$ (7,014,907)	\$ (10,091,918)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares				
Basic and Diluted	737,688,505	736,363,619	737,026,062	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>	Six months ended	
	December 31, 2025	December 31, 2024
Operating activities		
Net loss for the period	\$ (7,014,882)	\$ (10,060,766)
Income tax expense	-	44,522
Finance income	(155,513)	(453,657)
Adjustments for non-cash items:		
Share-based compensation	440,453	464,731
Share of loss in associates (Note 4b)	1,984,258	4,284,569
Re-evaluation adjustment - environmental provision	4,126	(100,518)
Accrued Interest expense on Kinterra loan (Note 5)	497,252	271,991
Unrealized gain on foreign exchange	(492)	(19,073)
Interest received	115,584	402,263
Taxes paid	-	(54,400)
Changes in working capital items		
Sales tax receivable	(7,903)	5,437
Prepaid expenses and other receivables	120,611	40,986
Accounts payable and accrued liabilities	(643,664)	(517,319)
	(4,660,170)	(5,691,234)
Investing activities		
Reimbursement of an environmental bond (Note 4a)	240,188	-
Additions to exploration and evaluation assets - Copperwood (Note 4)	(209,700)	(209,700)
	30,488	(209,700)
Financing activities		
Withholding taxes paid on RSU settlement	(30,815)	-
Effect of exchange rate changes on cash held in foreign currency	466	(12,079)
Net change in cash and cash equivalents	(4,660,032)	(5,913,013)
Cash and cash equivalents, beginning of the period	10,356,450	20,262,813
Cash and cash equivalents, end of the period	\$ 5,696,419	\$ 14,349,800

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	-	-	-	(7,014,882)	-	(7,014,882)
Settlement of restricted share units	379,343	31,707	(62,522)	-	-	(30,815)
Settlement of deferred share units	255,737	23,832	(52,726)	-	-	(28,894)
Exercise of options	1,189,523	118,830	(163,681)	-	-	(44,851)
Share-based compensation	-	-	440,453	-	-	440,453
Foreign currency translation adjustment	-	-	-	-	(25)	(25)
Balance at December 31, 2025	738,188,222	\$ 84,122,955	\$ 17,659,484	\$ (71,412,421)	\$ 604,066	\$ 30,974,084
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	-	-	-	(10,060,766)	-	(10,060,766)
Share-based compensation	-	-	464,731	-	-	464,731
Foreign currency translation adjustment	-	-	-	-	(31,152)	(31,152)
Balance at December 31, 2024	736,363,619	\$ 83,948,586	\$ 17,231,099	\$ (58,694,448)	\$ 596,730	\$ 43,081,967

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 and six months ended December 31, 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 February 19, 2026.

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 six months ended December 31, 2025, the Company had negative cash flows from operations of \$4,660,170 (\$5,691,234 for the six months ended December 31, 2024). In addition, the Company incurred a net loss of \$7,014,882 for the six months ended December 31, 2025 and had an accumulated deficit of \$71,412,421 as at December 31, 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 December 31, 2025, the Company had a negative working capital (total current assets less total current liabilities) of \$(6,256,353) (positive working capital of \$8,864,698 as at June 30, 2025).

The negative working capital position is primarily attributable to the maturity of the Initial Loan in July 2026, as described in Note 5. The Company may settle the Initial Loan of \$10,918,231 through additional financing or through a dilution of its interest in White Pine, as further described in Note 5.

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On January 13, 2026, the Company entered into a definitive Membership Interest Purchase Agreement with its joint venture partner, Kinterra Copper USA LLC ("Kinterra"), pursuant to which the Company agreed to sell its 34% interest in the White Pine North Project ("White Pine") for aggregate consideration of approximately US\$30.0 million. Refer to Note 18 for additional details.

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

Highland Copper Company Inc.

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financial statements for the year ended June 30, 2025, to all the periods presented in these condensed interim consolidated financial statements.

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	209,700
Balance at December 31, 2025	\$ 20,080,261

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 \$18,766 and \$39,930 for the three and six months ended December 31, 2025 (\$32,482 and \$51,394 during the three and six months ended December 31, 2024). During the six months ended December 31, 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 December 31, 2025 is \$2,248,649 (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.

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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.

The following table details the movements in investment in associate:

	Six months ended December 31, 2025	Year ended June 30, 2025
Opening Balance	\$ 17,122,228	\$ 16,040,034
Cash calls	885,952	6,468,159
Share of loss	(1,984,258)	(5,385,965)
Ending Balance	\$ 16,023,922	\$ 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. Refer to Note 18 for details regarding the definitive agreement executed for the sale of White Pine

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.

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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	885,952
Accrued interest	497,252
Balance at December 31, 2025	\$ 10,918,231

6. ASSET RETIREMENT OBLIGATION

The Company initiated early site work at Copperwood in late summer 2023. This work was completed as of December 31, 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 December 31, 2025 (\$1,722,673 as at June 30, 2025). The present value of this liability was calculated using a weighted average discount rate of 4.49% (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 December 31, 2025 and June 30, 2024:

	Copperwood Project
Balance at June 30, 2024	1,184,752
Addition to asset retirement obligation	(66,483)
Balance at June 30, 2025	\$ 1,118,269
Change in valuation assumptions used	4,126
Balance at December 31, 2025	\$ 1,122,395

7. SHARE CAPITAL

Issued and fully paid

As at December 31, 2025, the Company had 738,188,122 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
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(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. Pursuant to a net exercise provision, a participant may elect, in lieu of paying the exercise price in cash, to receive a number of shares equal to the in-the-money value of the options exercised. The number of shares issued is calculated by multiplying the number of options exercised by the difference between the volume-weighted average trading price (“VWAP”) of the Company’s listed shares and the applicable exercise price and dividing the resulting amount by the VWAP of the listed shares.

As at December 31, 2025, the Company had 40,473,939 (38,608,335 as at June 30, 2025) issued and outstanding stock options.

The following is a summary of stock option activities for six months ended December 31, 2025 and year ended June 30, 2025:

	Six months ended December 31, 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
Exercised	(4,766,667)	0.09	-	-
Forfeited	-	-	(1,511,111)	0.08
Expired	-	-	(9,255,556)	0.12
Options, end of period	40,473,939	0.10	38,608,335	0.10

During the period, the Company issued 1,189,523 common shares in connection with the net exercise of 4,766,667 stock options. In accordance with the net exercise provisions of the Company’s stock option plan, the number of shares issued represents the in-the-money value of the options exercised. The shares issued were net of applicable withholding taxes. The weighted average share price at the date of exercise was C\$0.14.

Highland Copper Company Inc.

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Stock options issued and outstanding as at December 31, 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	2,500,000	0.11	1.0	2,500,000	0.11
February 24, 2022	2,500,000	0.15	1.2	2,500,000	0.15
July 25, 2022	7,800,000	0.10	3.6	7,800,000	0.10
October 13, 2023	12,916,668	0.07	4.8	12,916,668	0.07
July 26, 2024	6,050,000	0.12	3.6	4,033,334	0.12
August 19, 2024	825,000	0.12	3.6	550,000	0.12
September 3, 2024	1,750,000	0.12	3.7	1,166,667	0.12
July 7, 2025	6,132,271	0.10	4.8	2,044,090	0.10
	40,473,939	0.10	3.8	33,510,759	0.10

As at December 31, 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 six months ended December 31, 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 six months ended December 31, 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 \$99,740 and \$293,616 related to the stock options during the three and six months ended December 31, 2025 (\$98,126 and \$386,066 during the three and six months ended December 31, 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

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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 December 31, 2025, there were 2,970,395 DSUs and 4,613,036 RSUs outstanding. The Company recognized an expense of \$32,690 for RSU and \$35,839 for DSU during the three months ended December 31, 2025 (\$27,003 for RSU and \$18,927 for DSU for three months ended December 31, 2024). The Company recognized an expense of \$79,937 for RSU and \$66,900 for DSU during the six months ended December 31, 2025 (\$45,809 for RSU and \$32,856 for DSU for six months ended December 31, 2024).

The following is a summary of outstanding DSU and RSU as at December 31, 2025:

	Six months ended December 31, 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
Settled	(748,081)	(565,789)	-	-
Forfeited	-	-	-	(250,000)
End of period	4,613,037	2,970,395	2,244,242	1,562,500

The Company issued 379,343 common shares to settle 748,081 vested RSUs. The Company issued 255,737 common shares to settle 565,789 vested DSU's. The number of shares issued reflects the net amount after withholding taxes applicable to the vested RSUs and DSU's. The weighted average share price at the date of settlement for RSU's and DSU's was C\$0.12 and C\$0.13 respectively.

As at December 31, 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 and six months ended December 31, 2025 and 2024:

	Three months ended December 31		Six months ended December 31	
	2025	2024	2025	2024
Salaries and benefits	\$ 319,927	\$ 321,352	\$ 830,678	\$ 668,532
Excavation and site works	(41,726)	727,403	1,111,918	3,369,439
Environment	80,327	51,808	221,014	158,354
Engineering	137,663	39,339	405,432	51,987
Office, overhead and other administrative costs	233,754	117,661	450,635	252,656
	\$ 729,944	\$ 1,257,563	\$ 3,019,677	\$ 4,500,968

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10. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses during the three and six months ended December 31, 2025 and 2024:

	Three months ended December 31		Six months ended December 31	
	2025	2024	2025	2024
Salaries and benefits	\$ 198,388	\$ 193,879	\$ 745,435	\$ 619,600
Office, overhead and other administrative costs	58,373	52,117	94,566	133,064
Professional fees	85,271	100,178	164,146	194,139
Investor relations	80,522	70,393	217,287	120,430
	\$ 422,554	\$ 416,567	\$ 1,221,434	\$ 1,067,233

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 and six months ended December 31, 2025 and 2024, key management compensation comprises:

	Three months ended December 31		Six months ended December 31	
	2025	2024	2025	2024
Salaries, fees, bonuses, and termination payments	\$ 230,437	\$ 225,265	\$ 847,457	\$ 641,378
Share-based compensation	154,990	135,672	413,143	450,177
	\$ 385,427	\$ 360,937	\$ 1,260,600	\$ 1,091,555

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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:

	Six months ended December 31	
	2025	2024
Financing activities		
Loans and borrowings from Kinterra to fund White Pine cash calls	\$ 885,952	\$ 5,266,260
Withholding tax liability on exercise of options and settlement of DSU's	73,745	-

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 December 31, 2025, managed capital was \$41,892,315 (\$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 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 December 31, 2025. The Company is not subject to any externally imposed capital requirements as at December 31, 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 December 31, 2025.

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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 December 31, 2025 and June 30, 2025:

December 31, 2025

	Carrying amount	Settlement amount	Within one year	Two years	Over two years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,318,865	1,318,865	1,318,865	-	-
Loans and borrowings (Note 5)	10,918,231	10,918,231	10,918,231	-	-
	12,237,096	12,237,096	12,237,096	-	-

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	-

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.

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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 December 31, 2025, financial assets and liabilities denominated in a foreign currency consisted of cash of CAD \$186,203 as well as accounts payable and accrued liabilities of CAD \$225,579. The impact on profit or loss of a 10% increase or decrease in the US dollar against the Canadian dollar would be approximately \$4,000.

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 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.

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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 December 31, 2025		Canada		USA		Total
Current assets	\$	580,899	\$	5,399,844	\$	5,980,743
Environmental bond		-		2,248,649		2,248,649
Investment in associate		-		16,023,922		16,023,922
Exploration and evaluation assets		-		20,080,261		20,080,261
Total assets	\$	580,899	\$	43,752,676	\$	44,333,575

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. SUBSEQUENT EVENT

On January 13, 2026, the Company entered into a definitive Membership Interest Purchase Agreement with its joint venture partner, Kinterra Copper USA LLC ("Kinterra"), pursuant to which the Company agreed to sell its 34% interest in the White Pine North Project ("White Pine"). The transaction is expected to result in aggregate consideration of approximately US\$30.0 million.

Total consideration includes cash of approximately US\$18.3 million, net of the outstanding principal and accrued interest on a loan advanced by Kinterra to the Company's wholly owned subsidiary, Upper Peninsula Copper Holdings Inc., which is expected to total approximately US\$11.7 million at closing. In connection with the agreement, the parties have agreed to suspend cash calls under the White Pine joint operating agreement. The Company is not required to fund cash calls through closing; however, if the transaction does not close, any suspended cash calls will be recorded and allocated between the Company and Kinterra in accordance with their respective interests.