

# Highland Copper Co. and the **Copperwood** Project Upper Peninsula, Michigan USA



Corporate Presentation  
2018 Precious Metals Summit,  
Beaver Creek, Colorado  
September 20-22<sup>nd</sup> , 2018

**TSX.V:HI**  
**OTCQB:HDRSF**

**HIGHLAND**  
Copper Company Inc.

# Disclaimer

The data contained herein is provided for information purposes only. No information in this presentation is to be construed as an offer to buy or sell securities.

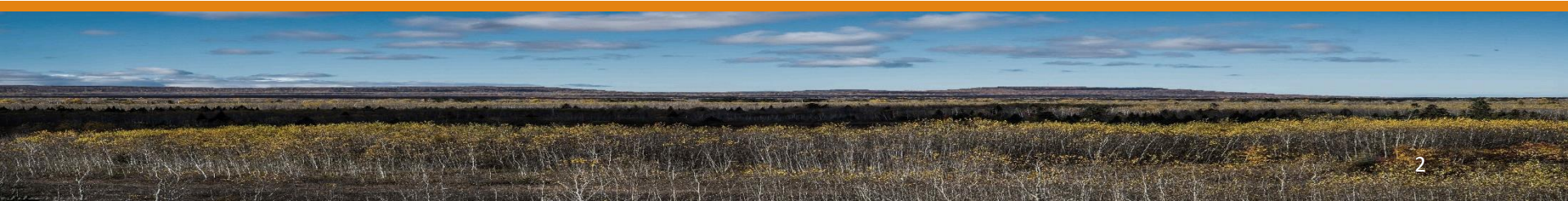
*This presentation contains certain "forward-looking information within the meaning of applicable Canadian securities legislation. These forward-looking statements are made as of the date of this presentation and Highland Copper Company Inc. does not intend, and does not assume any obligation, to update these forward-looking information, except as required under applicable securities legislation. Forward-looking information relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, information with respect to the estimation of mineral reserves and mineral resources, the conversion of mineral resources to mineral reserves, the expected timing for commencement of construction of the Copperwood mine, Highland's ability to raise the necessary debt and equity contribution to the project, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, life of mine, environmental risks, the timing of the receipt of permits, the timing and terms of a power purchase agreement, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or information 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 information are identified by words including "scheduled", "plan", "planned", "estimated", "projections", "projected" and "expected". Forward-looking information are based on a number of assumptions which may prove incorrect, including, but not limited to, the development potential of the Copperwood Project and current and future metal prices and exchange rates. By their very nature forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in project parameters as plans continue to be refined; future prices of commodities; possible variations in mineral reserves*

The Company is planning to file a technical report in accordance with NI 43-101 on SEDAR. Conclusions, projections and estimates set out in this presentation are subject to important qualifications, assumptions and exclusions, all of which will be detailed in the technical report. To fully understand the summary information set out in this presentation, the technical report that will be filed on SEDAR should be read in its entirety.

## CAUTIONARY NOTE TO UNITED STATES INVESTORS

*Highland advises U.S. investors that this press release contains the terms "inferred", "indicated" and "measured" resources. All resource estimates have been prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource information contained therein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred resource" will ever be upgraded to a higher category. U.S. investors are cautioned not to assume that all or part of an inferred resource exists, or is economically or legally mineable. U.S. Investors are also cautioned not to assume that all or any part of mineral deposits in the "measured" or "indicated" resource categories will ever be converted into reserves.*

**Qualified Person:** The technical information in this presentation has been approved by Mr. Sylvain Collard, P. Eng., a qualified person as defined in NI 43-101. Mr. Collard is Highland's General Manager, Projects.







## Location

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Preparing to construct the **low cost, low capital intensity 100%-owned Copperwood Project** in Michigan, a Tier 1 jurisdiction.



## Growth Opportunities

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**Copperwood: 50 M tonnes** in the inferred resource category awaiting classification upgrade.

**White Pine: >1.5 B lbs.** Cu in historical resource, still open.



## Exploration potential

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UPX: Exploration package with exposure to potential Au and Ni-Cu-PGE discoveries.



## People

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Experienced management team with proven mine-building skills.

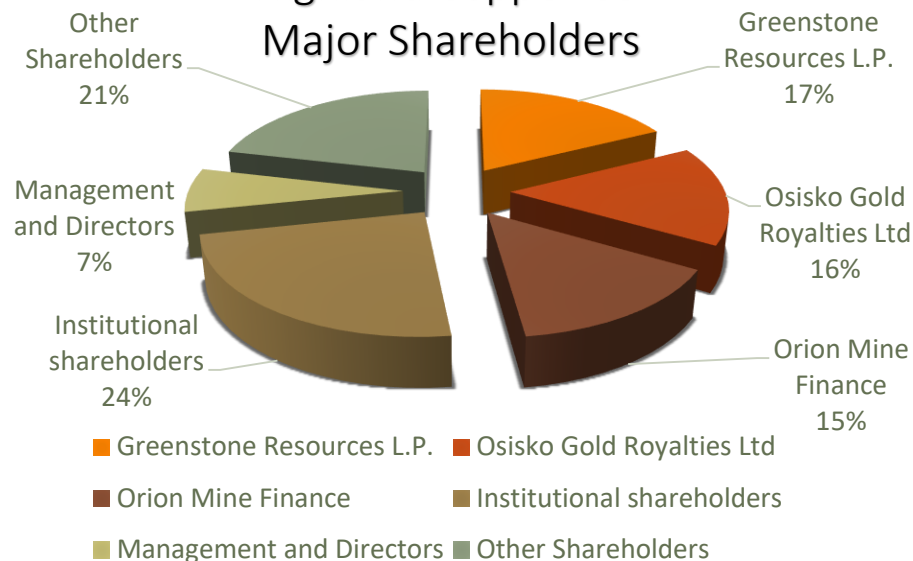
Strong, local Michigan-based team in supportive mining district

# Why Highland Copper ?

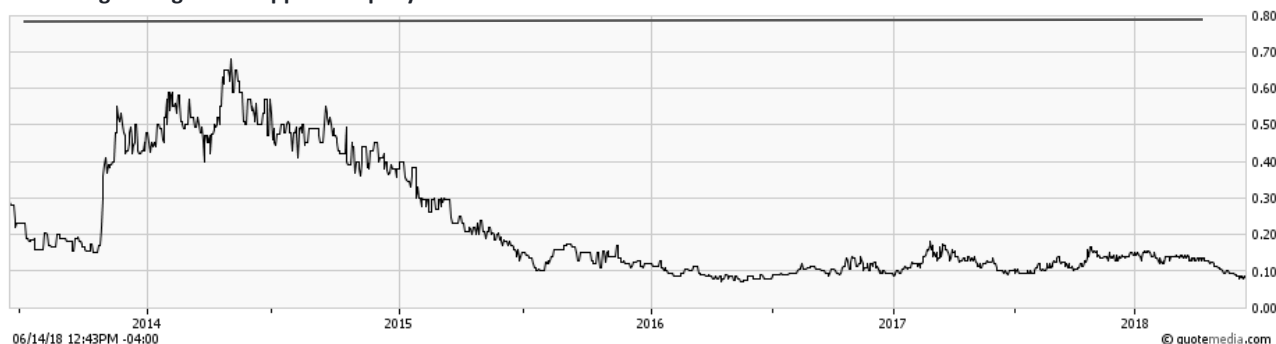
### Capital Structure (as at December 31<sup>st</sup>, 2017)

Shares outstanding	472.9 M
Options	14.3 M
Warrants (expiry 2020)	1.0 M
Fully Diluted Shares outstanding	488.3 M
Basic market capitalisation <sup>1</sup>	US\$36.4 M

### Highland Copper Co. Major Shareholders



### Charting for Highland Copper Company Inc



<sup>1</sup> Market Capitalisation @ close on 11/09/18, HI.V trading @ C\$0.10/share

# Capital Structure

# Michigan

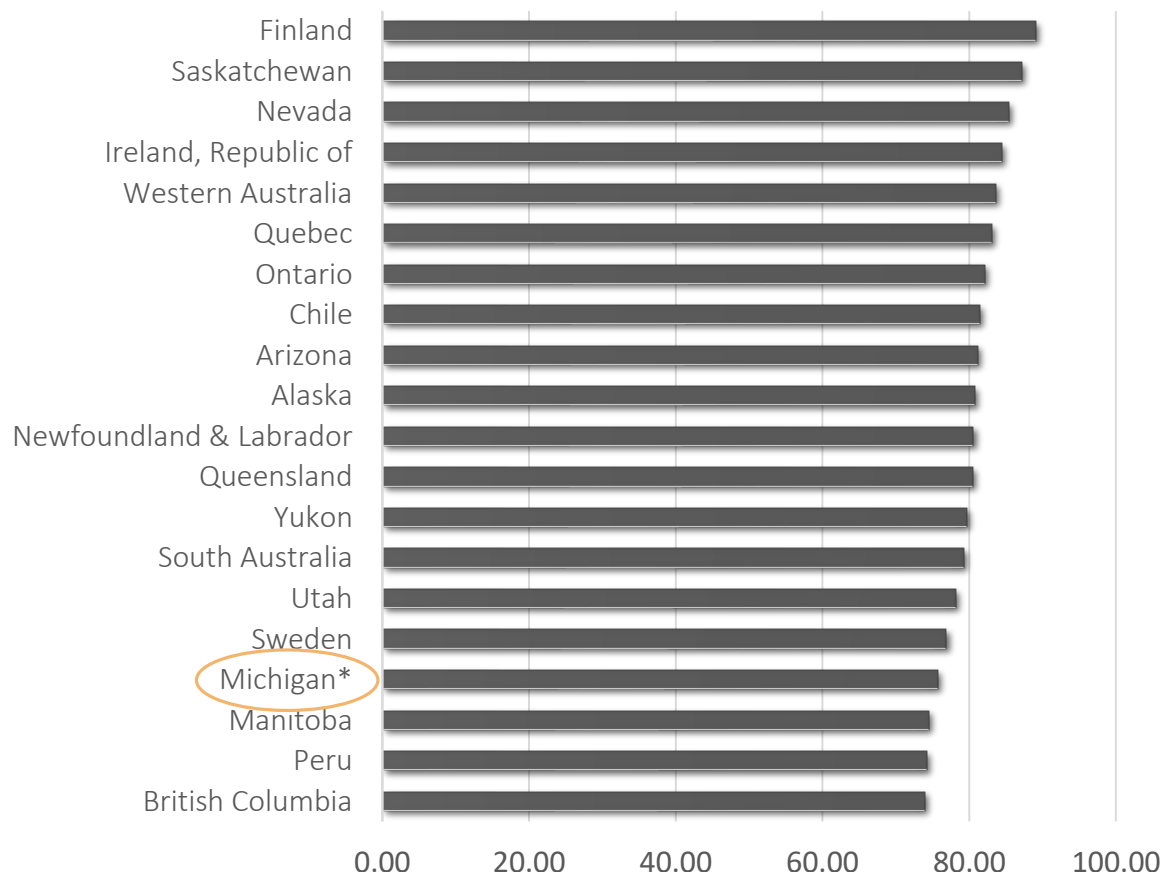
## Top Ranked Jurisdiction for Mining

(Fraser Institute 2017)

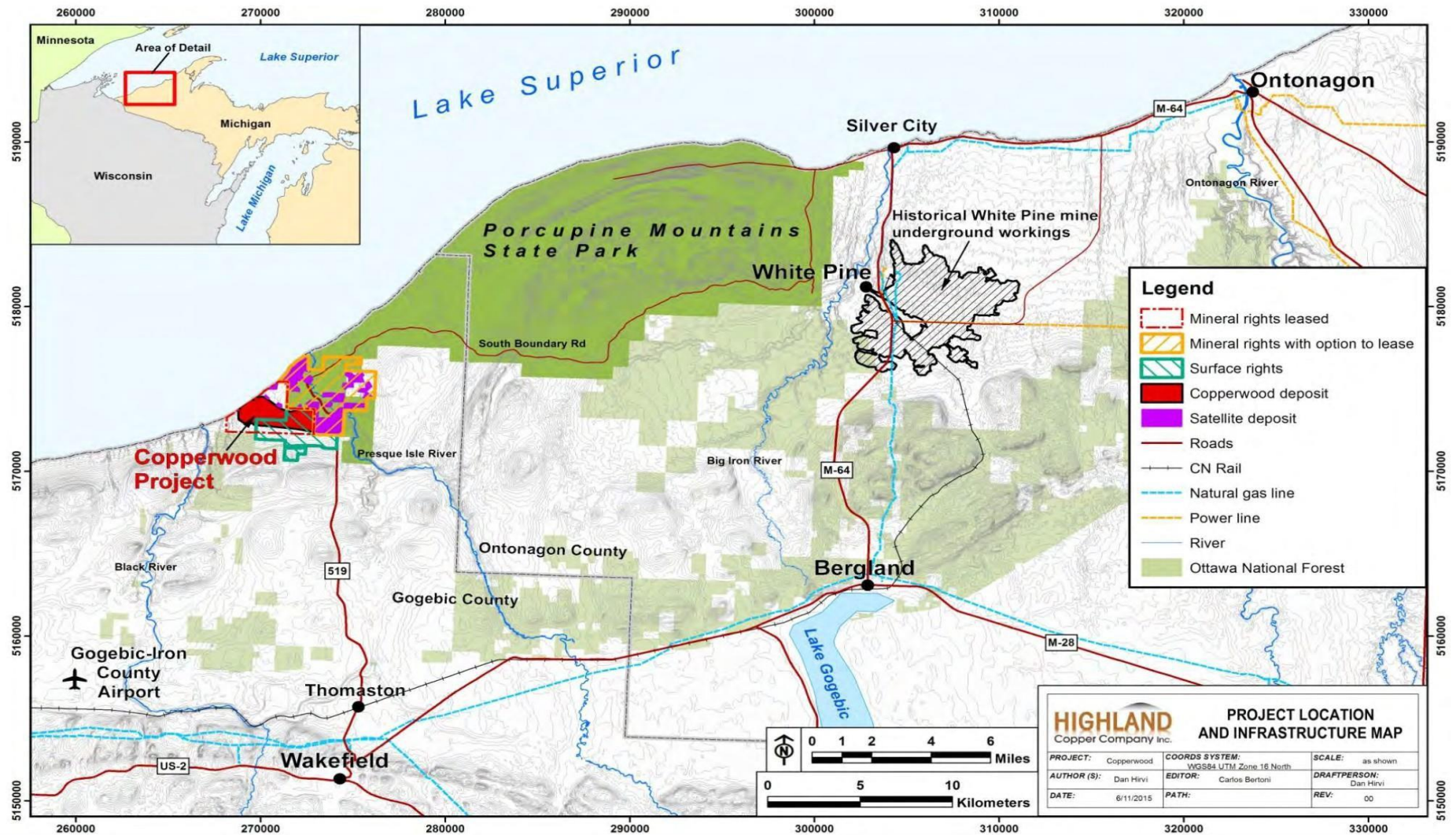
- Stable investment climate
- Well developed infrastructure
- Educated workforce
- Clear path from exploration through permitting into construction



## Michigan is a Top 20 Mining Jurisdiction for Investment







# Copperwood Project- Excellent Location and Infrastructure



## Mineral Resource Estimate

1.0% Cu Cut-off Grade – April 30th, 2018

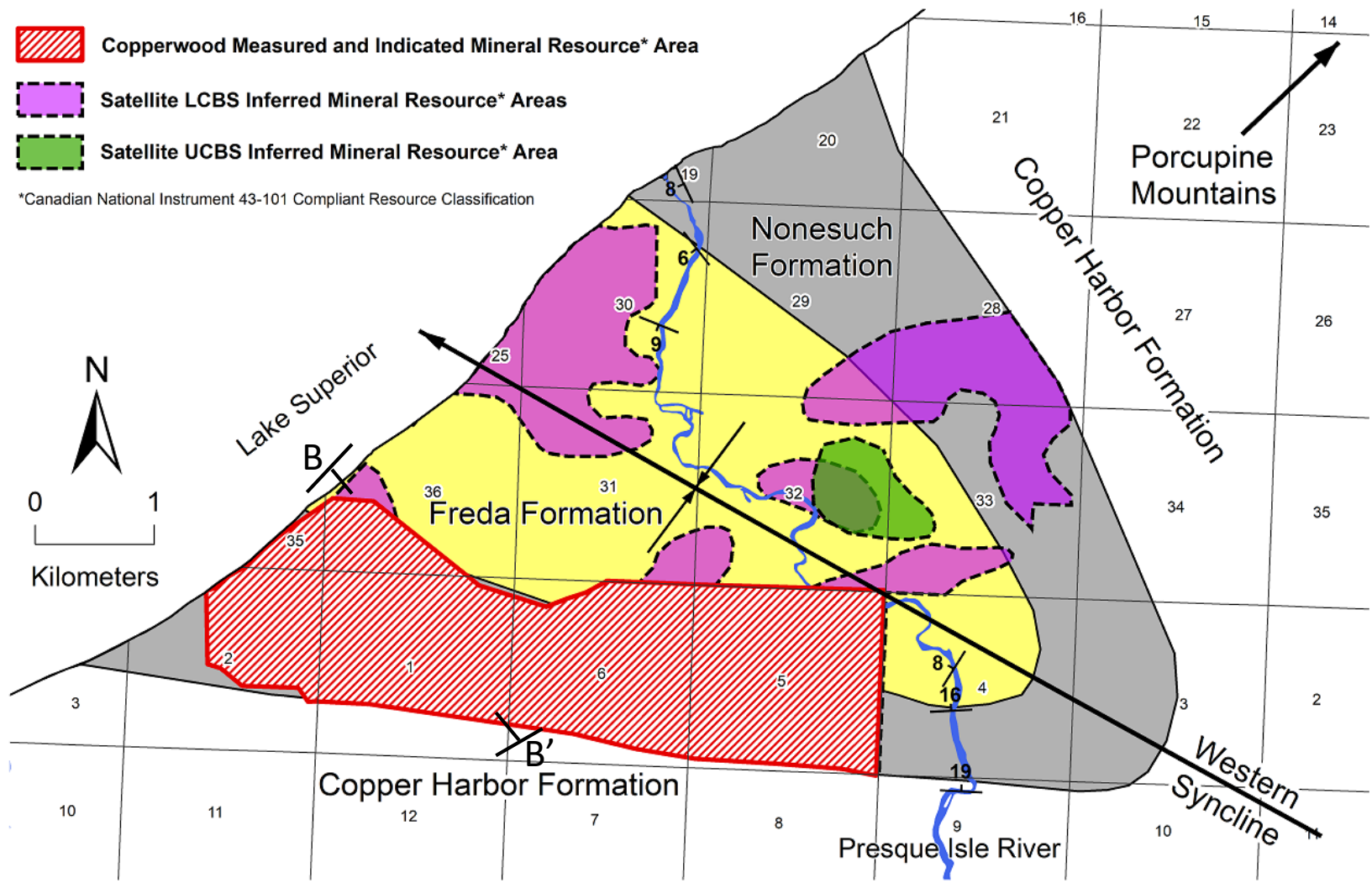
Deposits	Resource Category	Tonnage (M t)	Copper Grade (%)	Silver Grade (g/t)	Copper Contained (M lbs)	Silver Contained (M oz)
LCBS	Measured	27.3	1.68	4.58	1,009	4.0
	Indicated	14.9	1.46	2.47	479	1.2
	M + I	42.2	1.60	3.84	1,488	5.2
	Inferred	1.6	1.18	1.55	43	0.1
UCBS	Measured	-	-	-	-	-
	Indicated	7.1	1.21	3.26	189	0.7
	M + I	7.1	1.21	3.26	189	0.7
	Inferred	-	-	-	-	-
Satellite LCBS	Inferred	34.4	1.17	2.29	888	2.5
Satellite UCBS	Inferred	15.5	1.12	5.92	384	3.0

### Notes on Mineral Resources:

- 1) Mineral Resources are reported using a copper price of \$3.00/lb and a silver price of \$18/oz.
- 2) A payable rate of 96.5% for copper and 90% for silver was assumed.
- 3) No mining dilution and mining loss were considered for the Mineral Resources.
- 4) The qualified person for the estimate is Réjean Sirois, P.Eng.
- 5) Mineral Resources that are not mineral reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- 6) See Highland Copper's news release dated June 15, 2018 for more details.

Updated Mineral Resource Estimate Up 69% in last year

Excellent conversion ratio from inferred to M&I resources

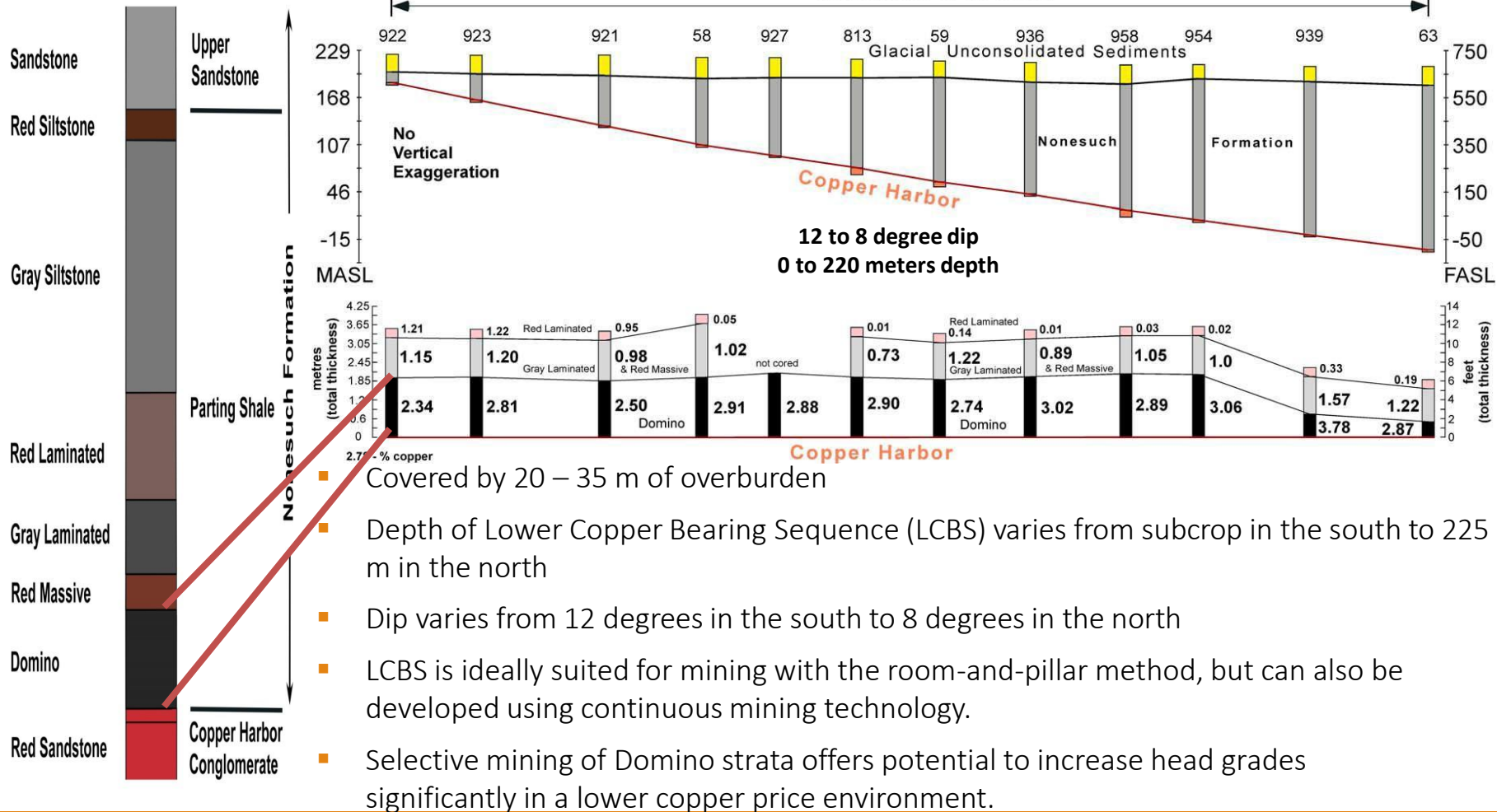


Potential to grow: Large Resource, Open, Grade/thickness increases to West

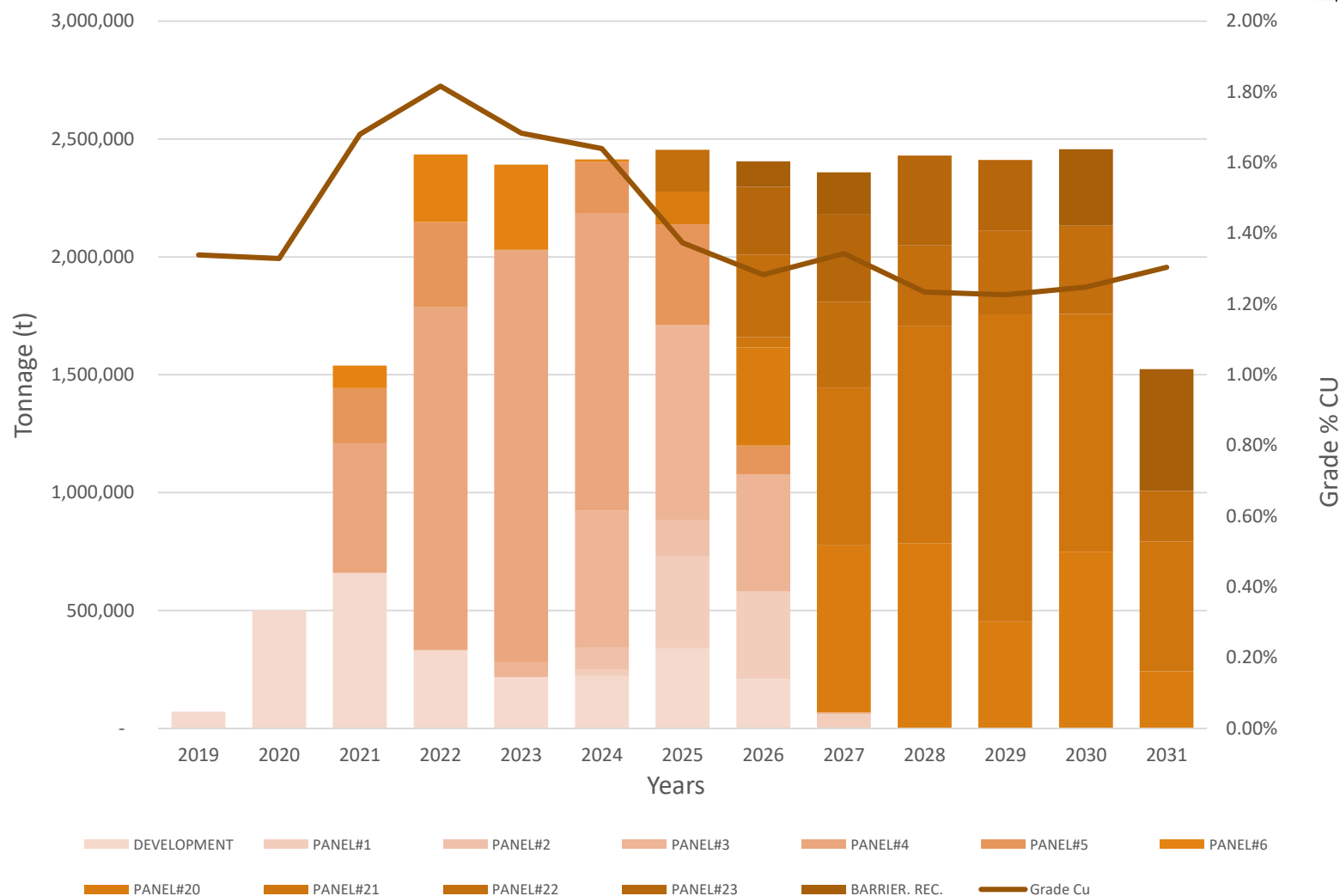




## Copperwood Stratigraphy



# Copperwood: stratiform Cu deposit ideally suited for Continuous Mining



Mine Production Plan – Higher grades mined in early years



# Operating Cost Summary

LOM OPEX by Area	Total Cost (M \$)	Unit Cost (\$/tonne milled)	Unit Cost (\$/payable lb)	%
Royalties	85	3.39	0.13	8.5%
Mining	531	21.26	0.82	53.4%
Processing	308	12.31	0.47	30.9%
G&A	72	2.88	0.11	7.2%
<b>Total</b>	<b>996</b>	<b>39.84</b>	<b>1.53</b>	<b>100%</b>

First 5-Year OPEX	Total Cost (M \$)	Unit Cost (\$/tonne milled)	Unit Cost (\$/payable lb)	%
Royalties	45	3.95	0.13	10.4%
Mining	219	19.30	0.65	50.6%
Processing	140	12.34	0.42	32.4%
G & A	29	2.52	0.09	6.6%
<b>Total</b>	<b>432</b>	<b>38.11</b>	<b>1.29</b>	<b>100%</b>

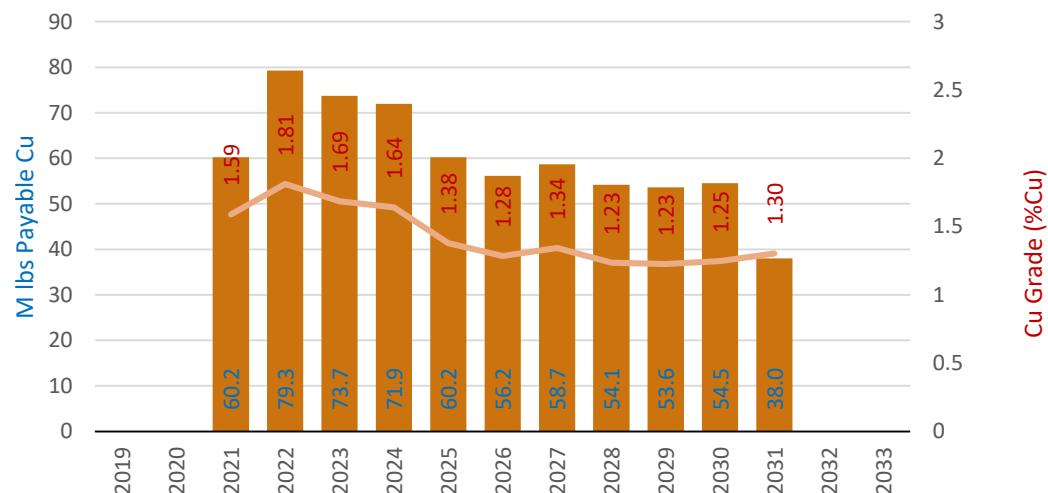
Low cost

-LOM operating cost of \$1.53/lb with first 5-years lower at \$1.29/lb

-Mining represents >50% of operating costs



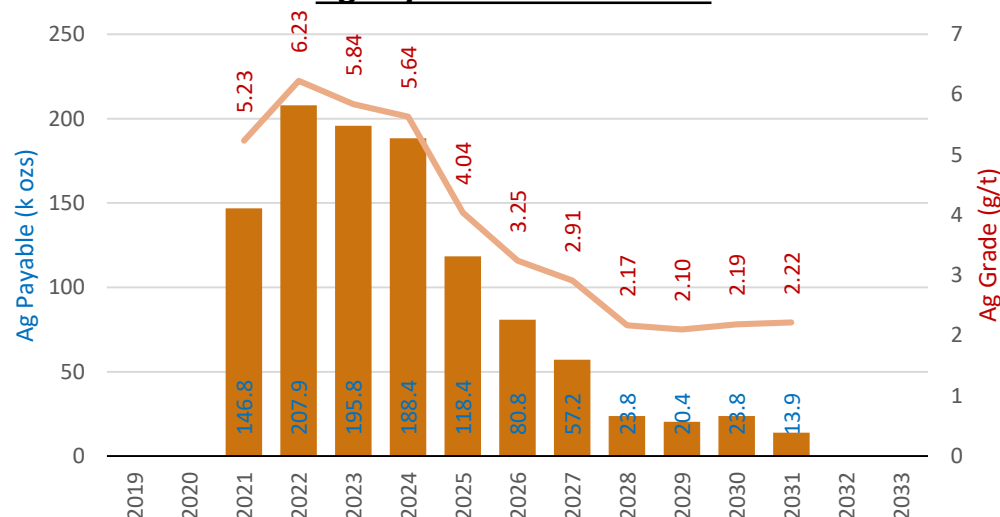
### Cu Payable & Head Grade



- Payable copper over LOM is 300kt (660M lbs).
- Average payable rate of 95.8%
- Accounts for 0.2% concentrate loss in transportation.

- Payable silver production over LOM is 1.08Mozs.
- Average payable rate of 46.9%.
- Minimum deduction reduces payable rates when mining in the East.

### Ag Payable & Head Grade



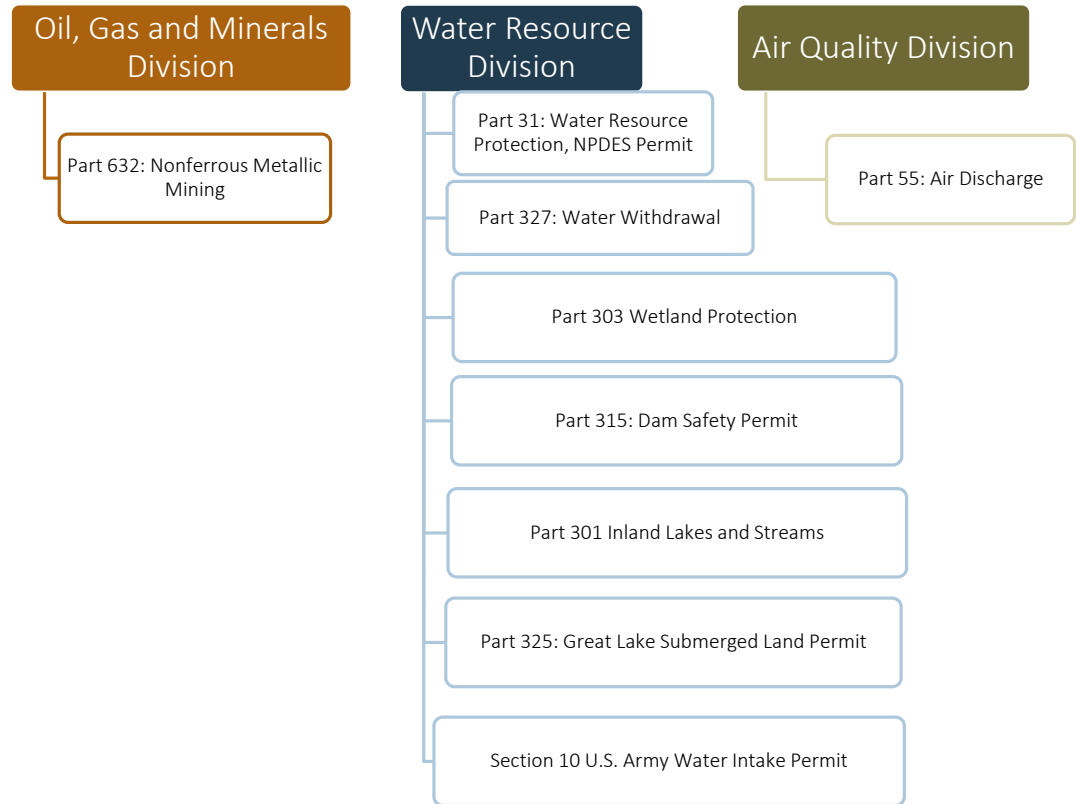
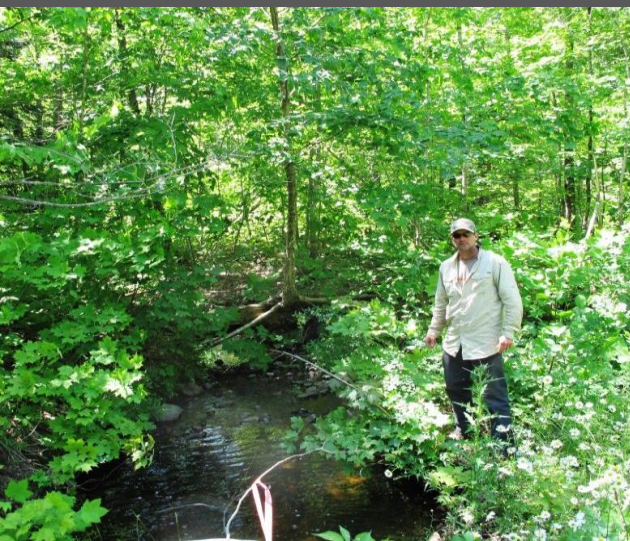
Payable Metal - average annual LOM payable copper production of 61.7 M lbs and 100, 570 oz of silver



# Permits

Filed amendment requests,  
renewals or new  
applications for all permits

Expect all required permits  
in Q4 2018



✓ Application Submitted

Administrative Review for completeness: up to 30 days

Public Notice and Comments: up to 30 days

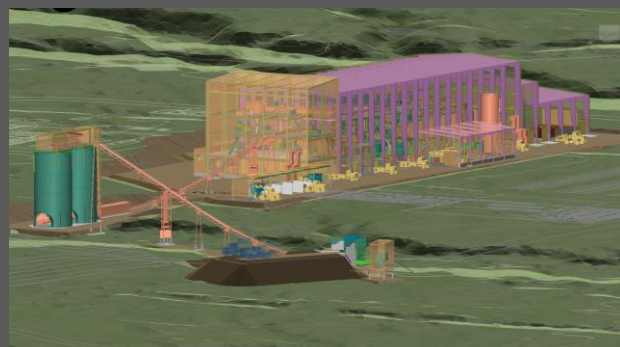
Technical Review and response: up to 120 days

## Initial Capital Expenditure Summary

Low Capital intensity

Surrounding  
infrastructure well  
developed

Initial CAPEX	(\$M)
General	1.150
Infrastructure	36.650
Power & Electrical	5.156
Water & TDF Mgmt.	22.875
Mobile Equipment	27.240
Mine Infrastructure	53.529
Process Plant	45.771
Construction Indirects	27.609
General Services & Owner's Costs	22.251
Pre-Production, Commissioning	9.838
<b>Sub-Total Before Contingency</b>	<b>252.069</b>
Contingency 9.1%	22.899
<b>Total Incl. Contingency</b>	<b>274.968</b>





## Feasibility Study results

- Attractive IRR (18%)
- Low cost mine (C1:US\$1.50/lb. first 5-yrs.)
- Low capital intensity
- 11 year LOM
- 62 Mlbs. Cu, 100kOzs Ag/year payable production on average

Avg. Copper Price : \$3.15/lb

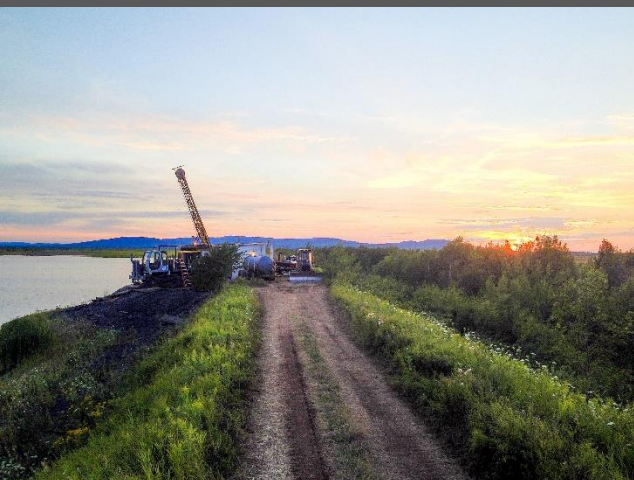
Avg. Silver Price: \$16.00/oz

## Summary Economics for Copperwood Project

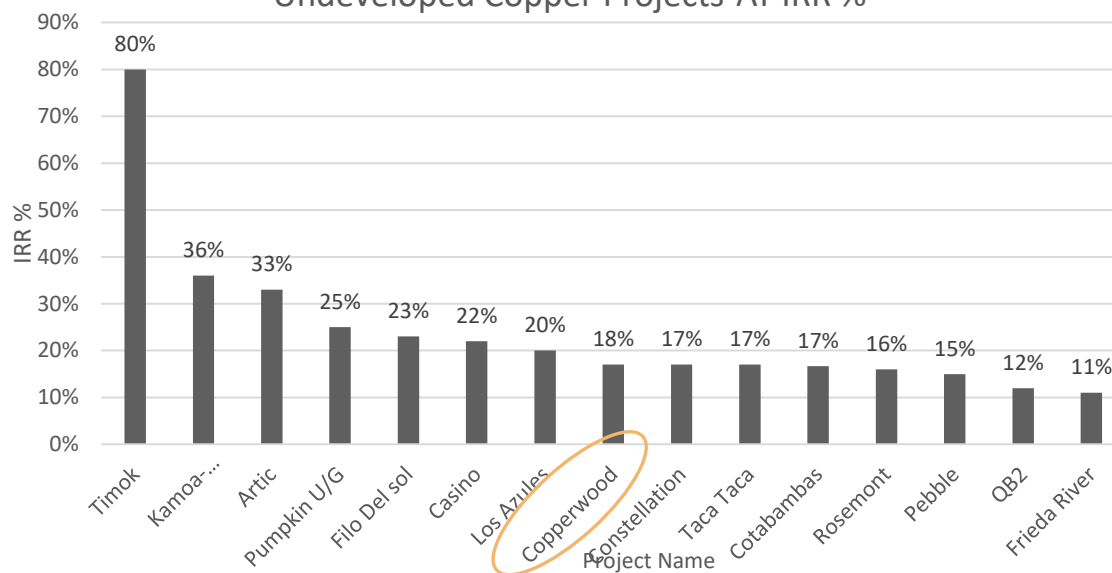
Summary Economics for Copperwood Project	Total
Pre-tax NPV @8% (\$M)	\$ 162.1
Pre-tax IRR	21%
After-tax NPV@ 8% (\$M)	\$ 116.8
After-tax IRR	18%
Undiscounted After-Tax Cashflow (LOM) (\$M)	\$ 316.0
Payback Period from start of processing-years	3.2
Initial Capital expenditures (\$M)	\$ 275.0
LOM Sustaining Capital Expenditures (\$M)	\$ 156.5
LOM C-1 Cash Costs \$/lb (net of bi-product)	\$ 1.75
Nominal Process capacity mt/d	6,600
Mine Life-years	10.7
<b>Annual Payable Metal Production</b>	
Copper million pounds	61.7
Silver thousand ounces	100
<b>LOM Average Process Recovery</b>	
Copper %	86.0
Silver %	73.4

## Copperwood Project

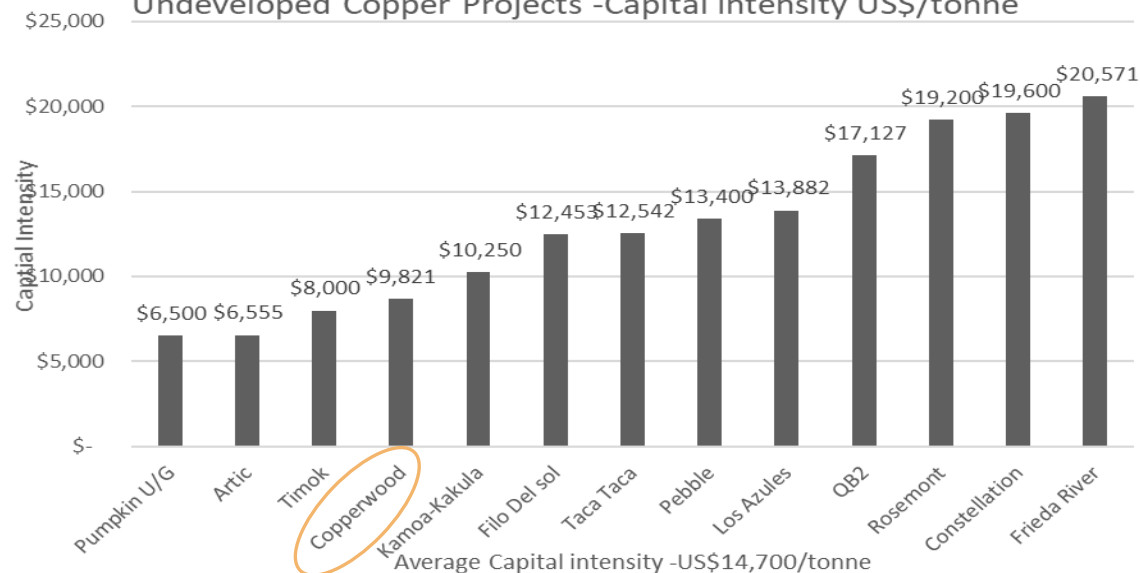
- Attractive IRR
- Low Capital Intensity
- Among best in class, in excellent jurisdiction



Undeveloped Copper Projects-AT IRR %



Undeveloped Copper Projects -Capital Intensity US\$/tonne

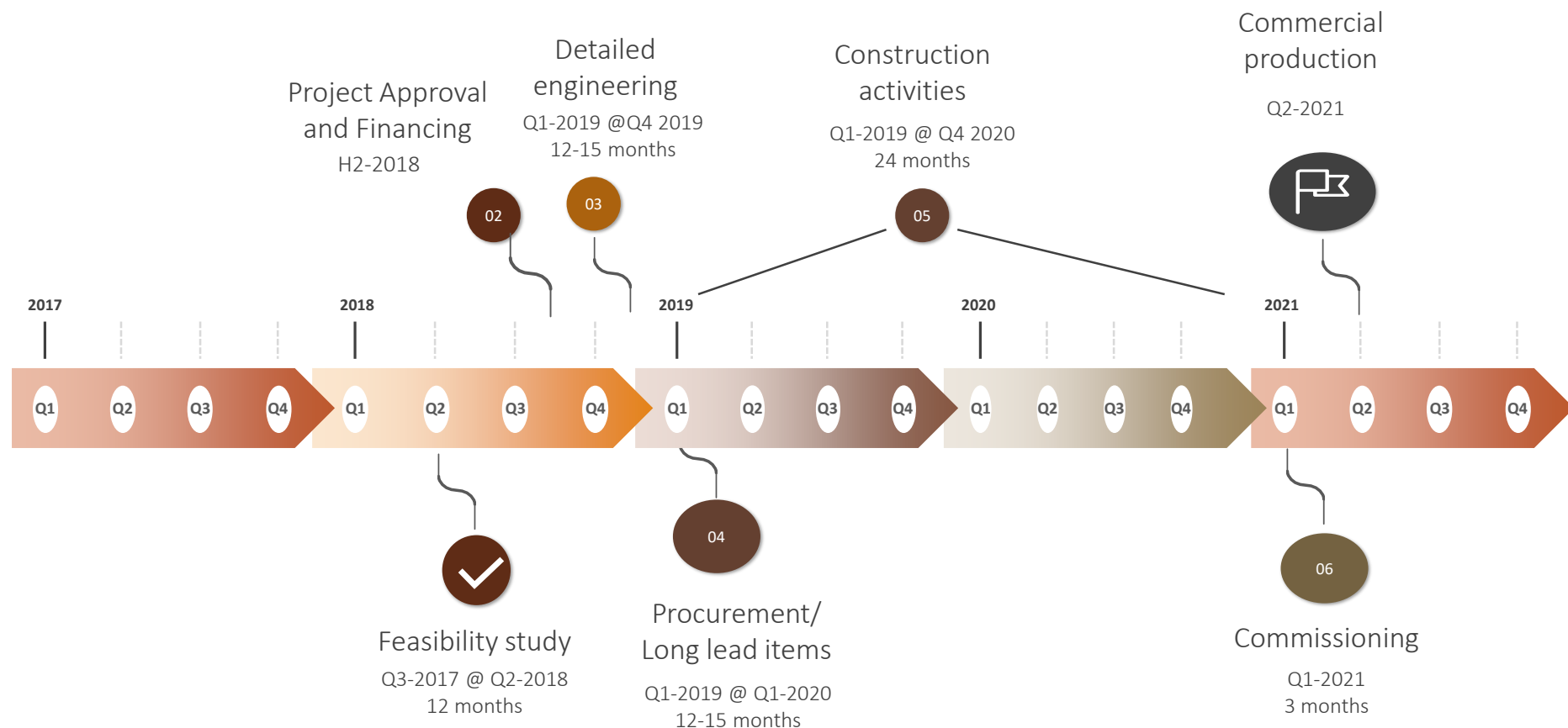


# Multiple Opportunities to substantially increase shareholder value

## Opportunities to increase project value:

- **Copper Price:** Significant leverage
- **Resources:** Upgrade classification of satellite orebodies from inferred to indicated mineral resources (60 Mtonnes)
- **Continuous Mining technologies:** Potential to increase productivity and reduce costs
- **Geotech. Optimization:** Increase ore recovery and minimize mining dilution
- **Metallurgical Recoveries:** Possibilities to increase
- **Tailings disposal:** alternatives offering significant sustaining capital savings



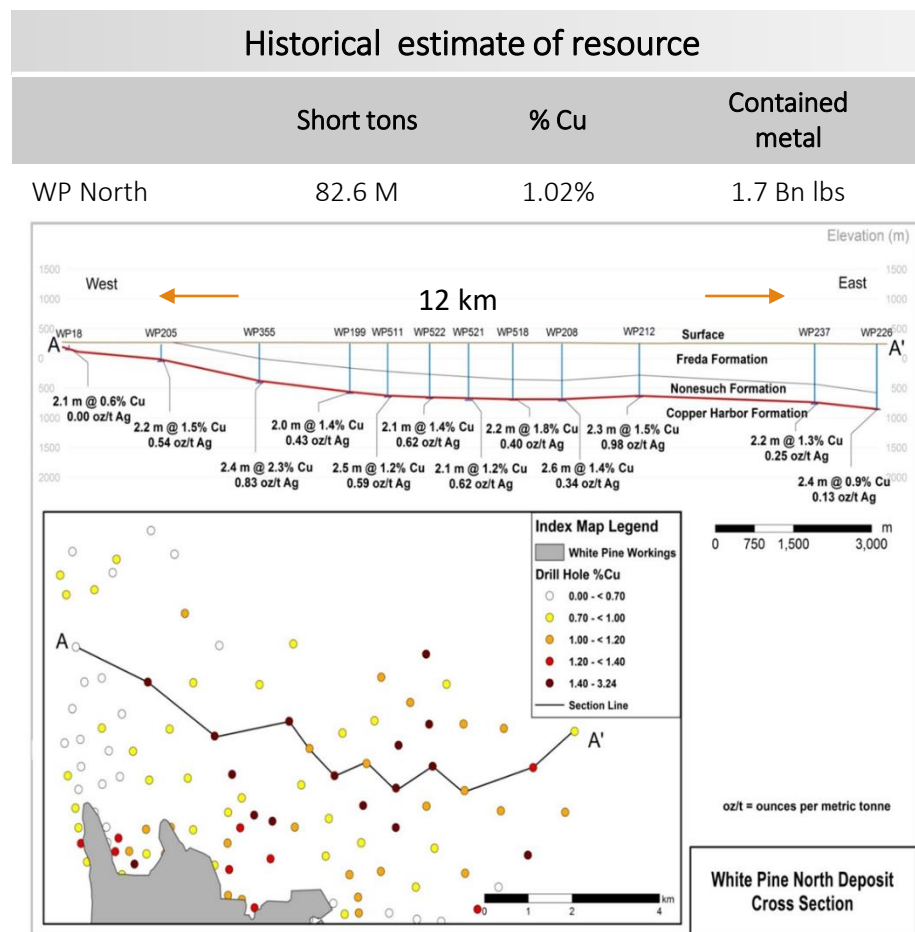


# Project Milestones – In production to catch the Cu cycle

# White Pine Project

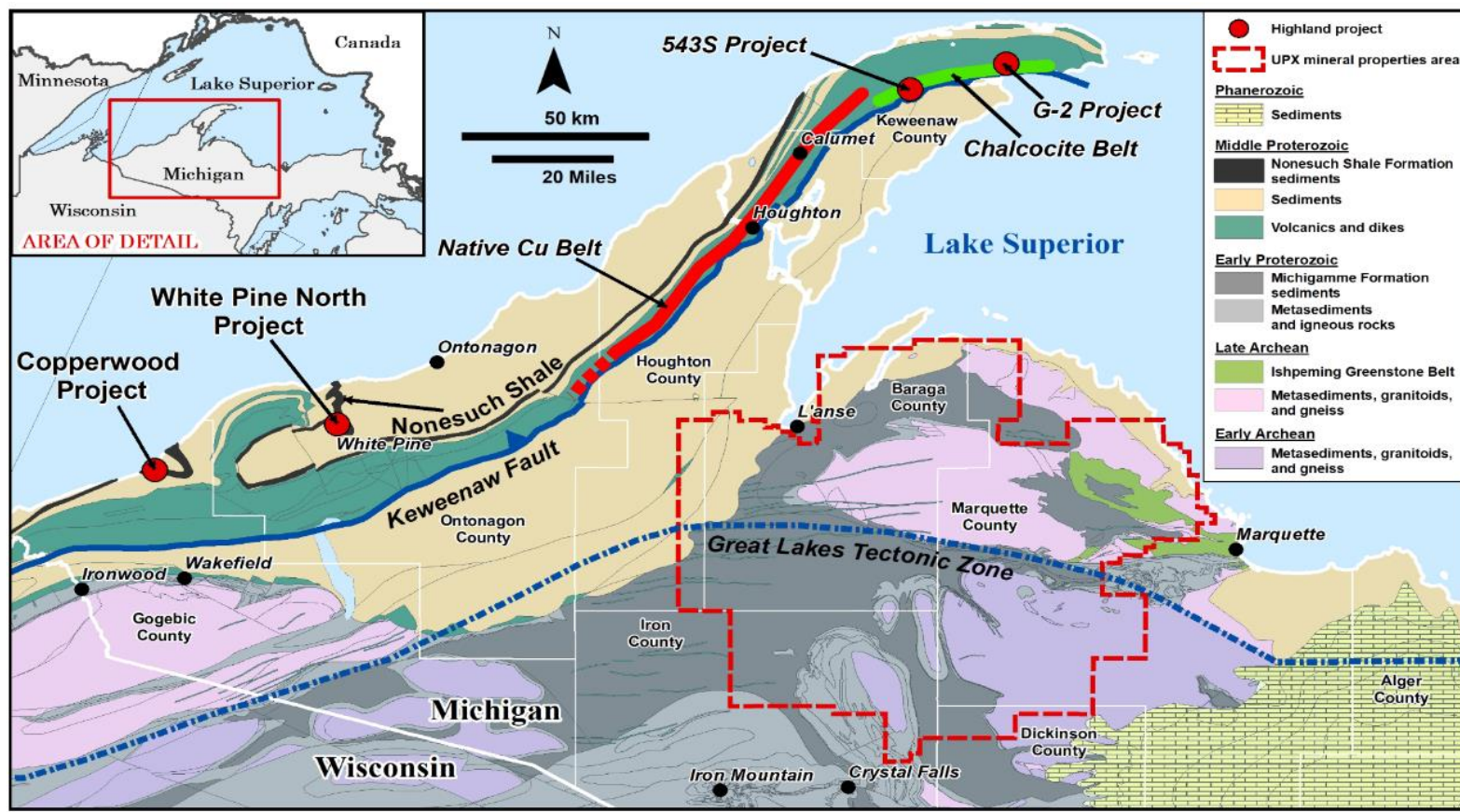
- White Pine mine produced **4.5Bn lbs of copper** at 1.14% Cu between 1952 and 1995, another 1.7 Bn lbs. remain in resource, as mine closed due to depressed copper prices
- Significant infrastructure in place (road, rail, power, water, offices, etc.) owned by third parties
- Large historical estimate<sup>(1)</sup>
- Use of continuous mining of Parting Shale unit could lead to lower operating cost and higher head grade when combined with traditional room and pillar methods
- Desk top studies in 2019.
- White Pine North project subject to final closing

(1) The mineral reserves and mineral resources reported are provided as historical data only. A qualified person has not completed the work necessary to verify the quality of the historical exploration data or to classify the historical estimate as current mineral resources or mineral reserves in accordance with NI 43-101. Highland is not treating the historical estimate as current mineral resources or mineral reserves and the historical data should not be relied upon until they have been verified.



## White Pine North Project (WPN) – Next mine up





- Established mine-friendly jurisdiction with over 100 years of mining.
- White Pine mine operated for 43 years. Over 6Bn lbs. of copper in historical resource.
- District offers excellent potential for using modern continuous mining technology and further exploration upside.

## Dominant Position in Michigan Copper Belt

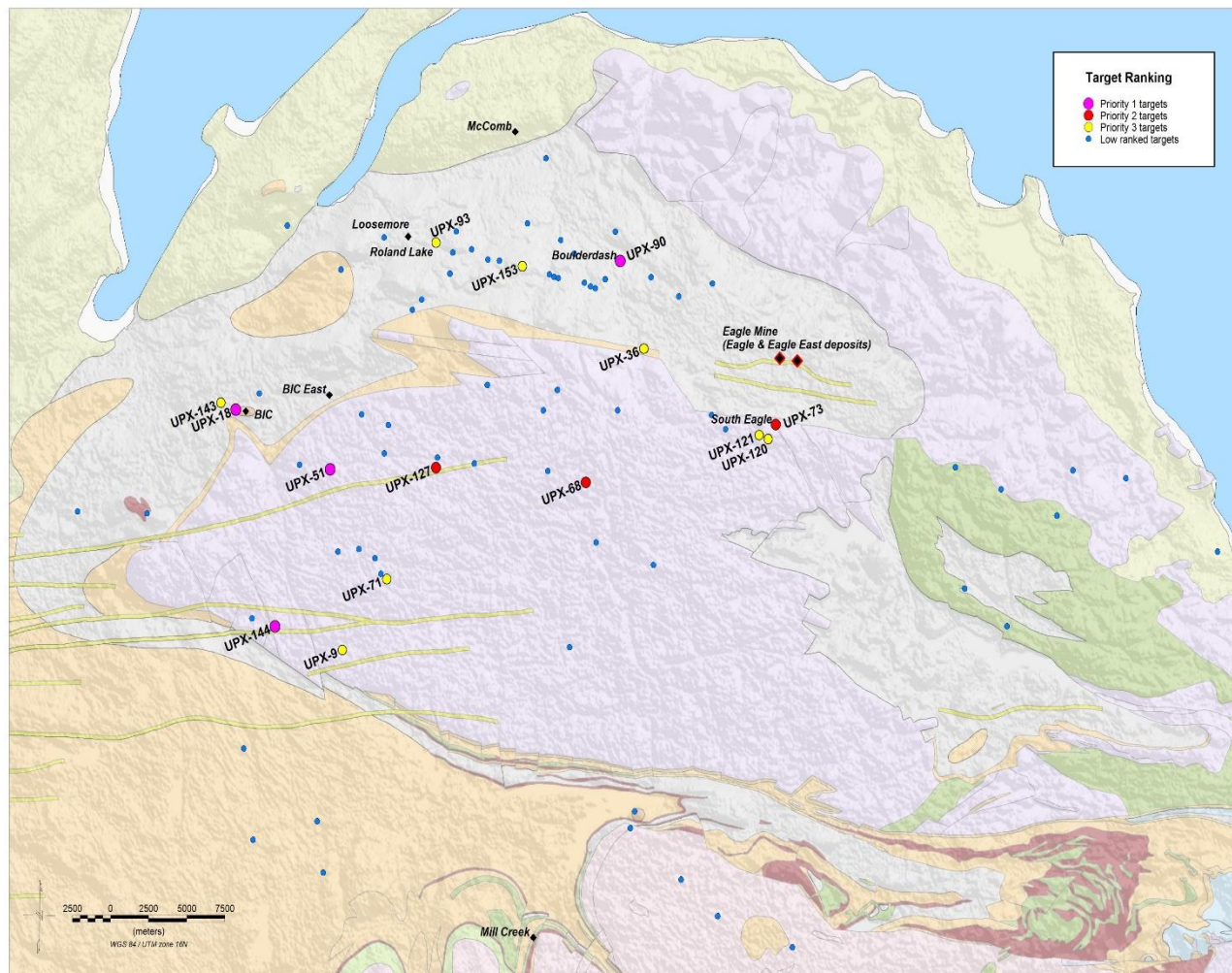


**Over 90** anomalies field checked

(outcrop mapping, rock chip sampling)

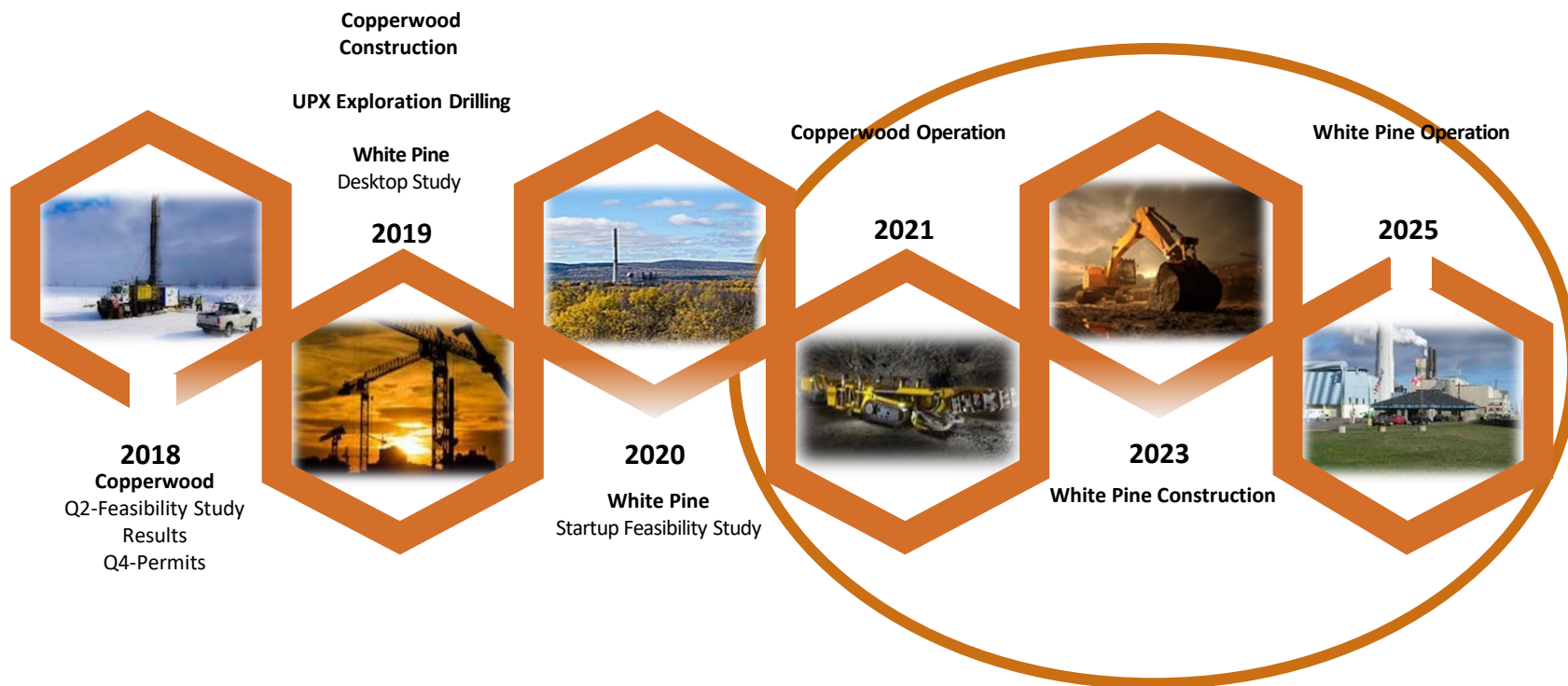
**22** soil survey complete  
(19 pending sampling/analysis)

**Eight priority 1 & 2 targets**  
(further results/data pending)



**UPX Ni-Cu Exploration: Drill ready targets**





Vision 2025

Stable fiscal  
terms

Fast track  
permitting

Government  
support of mining  
investments

Favorable  
geological  
endowment

Community  
support

Excellent local  
infrastructure

Class A roads

Electrical power

Skilled work force  
(Michigan Tech  
University)

Water & natural  
gas pipelines

Modern  
communications

CN rail spur

Michigan- A great place to build a mine



## Social License Best Practice



# Contact Information

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