Highland Copper Provides Update on Michigan State Grant and Other Catalyts at the Copperwood Project

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VANCOUVER, July 02, 2025 - Highland Copper Company Inc. (TSXV: HI; OTCQB: HDRSF) ("Highland" or the "Company") is pleased to provide an update on its 100%-owned Copperwood Project ("Copperwood"), which continues to make significant progress toward a near-term construction decision.

Michigan State Grant: As previously announced, the Copperwood project is under consideration for a $50 million grant from the Michigan Economic Development Corporation ("MEDC"). The proposed grant is awaiting final approval from the Senate Appropriations Committee. Highland continues to discuss the merits of the regional infrastructure grant with the Committee.

In parallel, Wakefield Township, where the Copperwood project resides, has taken the proactive step of directly requesting a $50 million infrastructure grant from the Michigan legislature. This is a strong demonstration of local support for the Copperwood Project. This request creates a separate path for the potential approval of the regional infrastructure funding. If one path is successful, the other will no longer be required. For clarity, the total grant request will not exceed $50 million.

The proposed grant has the potential to unlock important economic development in Gogebic County, aimed at upgrading local roads, power, and telecommunications, infrastructure that will also support the development of the Copperwood project. The grant is in the form of a state budget request for Wakefield township, sponsored by Representative Greg Markkanen, and is viewed by the local community as a generational opportunity to attract much-needed jobs and opportunities in the Western Upper Peninsula.

"The people of Wakefield Township and the Western Upper Peninsula are squarely behind the Copperwood Project. It will create jobs and opportunities while balancing the environment," stated Wakefield Township Supervisor Mandy Lake. This direct appeal from Wakefield township highlights the project's broad support, which also extends to state and federal leaders. This includes federal Congressman Jack Bergman and all key Upper Peninsula state legislators who emphasize Copperwood's critical role in domestic copper production, national security, and creating sustainable American jobs while upholding stringent environmental safeguards.

Detailed Engineering: Following the announcement that Highland awarded the Front-End Engineering and Design ("FEED") contracts for mine engineering and process plant engineering to DRA Global, the company has now finalized the resourcing for its other engineering workstreams. Specifically, Highland awarded the FEED contract for overall site water management to Foth Infrastructure and Environment LLC ("Foth") and the FEED contract for the Tailings Disposal Facility ("TDF") to Tetra Tech. Each engineering team has completed a comprehensive review of all historical project data and is progressing toward finalizing the engineering design criteria by Q3 2025. Concurrently, several opportunities to de-risk and optimize the project are being evaluated through trade-off studies. Further updates will be provided as the trade-offs studies are concluded.

Highland plans to transition into Phase 2 of its engineering program during Q3 2025. The objectives for Phase 2 include advancing mine engineering, process plant engineering, and water management engineering to approximately 35% completion, while achieving an 85% engineering completion level for the TDF. This critical phase is scheduled for completion by Q1 2026, positioning the Copperwood Project for project financing and a subsequent construction decision.

Metallurgical Test Work: In May 2025, Highland announced the successful completion of its metallurgical drill program, with 400 kilograms of core samples sent to Base Metallurgical Laboratories Ltd. As the samples were collected from the same locations as the 2018 SGS test work campaign, the initial objective was to produce rougher kinetic results within the same confidence interval as the 2018 results, which has been successfully achieved. This outcome provided confidence to proceed with the metallurgical and reagent optimization phase.

Preliminary optimization results suggest potential for a mill-float-mill-float (MF2) circuit configuration combined with a simplified reagent scheme. The next steps include evaluating ultrafine flotation technology for both rougher and cleaner applications, followed by lock-cycle variability testing on the finalized circuit configuration. The key purpose of evaluating ultrafine flotation is to determine the potential to enhance the grade-recovery curve, a significant driver of project economics. This technology is also capable of delivering cost savings by reducing the physical footprint of the processing plant and further minimizing the project's environmental impact. Highland remains on track to announce the final metallurgical test results in Q3 2025.

2025 Site Work: The primary objective of Highland's 2025 construction season is to fulfill its remaining obligations related to mitigation activities under the Wetlands and Streams Permit. The Company is pleased to announce the substantial completion of on-site mitigation construction, marked by the successful planting of nearly 20,000 trees in the newly constructed wetland and streams areas. The work has been subject to numerous visits from Michigan's environmental authorities. The mitigation project will now transition into the monitoring phase.

Additionally, the off-site stream mitigation project, undertaken in partnership with a local road commission, remains on track to replace several undersized culverts with a 50-foot-span bridge. This initiative is designed to enhance fish habitat across many miles upstream and is progressing within both budget and schedule parameters. Similar to the wetland project, construction of this bridge meets our mitigation obligations to offset site impacts. These efforts reinforce Highland's operational presence, demonstrate its commitment to environmental stewardship, and strengthen relationships with local authorities and stakeholders. The 2025 work program represents the final site activities required before a construction decision.

Barry O'Shea, President and CEO of Highland Copper, commented: "Highland is focused on key work programs that should enable a construction decision for Copperwood in 2026. This includes early site work to prepare for construction, progress on detailed engineering and metallurgical optimization, and continued advancement on state and federal funding opportunities. I am pleased that we are making significant progress in all of these areas, providing increased visibility to a construction decision. We are particularly pleased with the support demonstrated by the Wakefield township regarding the state grant, a powerful testament to this project's transformational potential for the region. At the same time, we are advancing discussions regarding potential financial support at the federal level".

The below photos show the ongoing environmental mitigation work both on-site and off-site:

Figure 1: Gipsy wetland showing excellent plant growth - in view here are Water Plantain, rushes, bullrushes, sedges, and cattail

Figure 2: Off site stream mitigation project to replace 5 small culverts with a 50' span bridge in cooperation with the Ontonagon County Road Commission.

Qualified Person Statement

The technical information in this news release has been reviewed and approved by Dr. Wynand van Dyk, a qualified person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects. Dr van Dyk is employed by Copperwood Resources Inc, a wholly owned subsidiary of Highland Copper, in the role as Project Director.

About Highland Copper Company

Highland Copper Company Inc. is a Canadian company focused on exploring and developing copper projects in the Upper Peninsula of Michigan, U.S.A. The Company owns the Copperwood deposit through long-term mineral leases and 34% of the White Pine North project through a joint venture with Kinterra

Copper USA LLC. The Company also owns surface rights securing access to the Copperwood deposit and providing space for infrastructure at Copperwood as required. The Company has 736,363,619 common shares issued and outstanding. Its common shares are listed on the TSX Venture Exchange under the symbol "HI" and trade on the OTCQB Venture Market under symbol "HDRSF".

More information about the Company is available on the Company's website at www.highlandcopper.com and on SEDAR+ at www.sedarplus.com.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking statements" and "forward-looking information" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. These statements include, without limitation, statements with respect to: (a) anticipated completion of 2025 early site work program at Copperwood and anticipated benefits thereof, including the resulting maintenance of the Wetland and Streams Permit (b) the potential approval of the Michigan Strategic Fund grant (c) the potential to advance engineering studies and project optimization at Copperwood, and the anticipated benefits thereof. The forward-looking statements are subject to a number of assumptions, including those set out in the technical reports entitled "Feasibility Study Update Copperwood Project Michigan, USA" and the Company's annual information form for the year ended June 30, 2024 (the "AIF"). These underlying assumptions may prove to be incorrect. Important factors that could materially impact the Company's expectations include: changes in project parameters as plans continue to be refined; availability of services, materials and skilled labour to complete work programs, testing and drilling; effects of regulation by governmental agencies; the fact that permit extensions, renewals and amendments are subject to regulatory approvals, which may be conditioned, delayed or denied; there is no assurance that the Michigan State legislature will approve the Michigan State Strategic Funds grant, and any such approval may be subject to conditions; advancement to a construction decision at Copperwood is subject to additional studies, for which the Company will require additional funds, which may not be available on a timely basis and accordingly could delay a construction decision; the Company will be required to repay the loan facility from Kinterra in July, 2026, or will have its interest at White Pine diluted; unexpected cost increases, which could include significant increases in estimated capital and operating costs and the effects of inflation; fluctuations in metal prices and currency exchange rates; general market and industry conditions, the results of baseline studies and test work may result in unforeseen issues which could delay or hamper advancement of the projects, the results of drill programs may not result in identification or confirmation of resources, the results of work programs at White Pine may not warrant progressing to a feasibility study, and the other risks set out in the Company's public disclosure documents, including the AIF, filed on SEDARPlus. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements in this news release are reasonable, undue reliance should not be placed on forward looking statements. All forward-looking statements in this press release are based on information available to the Company as of the date hereof, and the Company undertakes no obligation to update forward-looking statements except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information or media requests, please contact:

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