



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

3rd Quarter ended March 31, 2015

In Canadian Dollars

Unaudited

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Highland Copper Company Inc. have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

Highland Copper Company Inc.

Condensed Interim Consolidated Statements of Financial Position

<i>(unaudited, in Canadian dollars)</i>	March 31, 2015	June 30, 2014
	\$	\$
ASSETS		
Current		
Cash	3,286,659	3,242,710
Sales taxes receivable	73,402	159,433
Prepaid expenses and other	137,208	59,479
	3,497,269	3,461,622
Non-current		
Capital assets (Note 3)	301,206	428,457
Exploration and evaluation assets (Note 4)	60,349,862	42,645,934
TOTAL ASSETS	64,148,337	46,536,013
LIABILITIES		
Current		
Accounts payable and accrued liabilities	3,727,006	1,987,950
Promissory note (Note 5)	-	7,473,900
Deposit on sale of royalty (Note 6)	10,000,000	-
	13,727,006	9,461,850
Non-current		
Balance of purchase price payable (Note 7)	2,114,289	1,434,850
Environmental liability (Note 8)	281,248	225,022
TOTAL LIABILITIES	16,122,543	11,121,722
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	47,633,697	41,394,661
Contributed surplus	6,108,745	4,221,734
Deficit	(13,063,541)	(10,450,128)
Cumulative translation adjustment	7,346,893	248,024
TOTAL EQUITY	48,025,794	35,414,291
TOTAL LIABILITIES AND EQUITY	64,148,337	46,536,013

Going concern (Note 1)

Commitments and contingencies (Notes 4 and 6)

Events after the reporting date (Note 14)

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

On behalf of the Board,

/s/ James Crombie
James Crombie, Director

/s/ Jo Mark Zurel
Jo Mark Zurel, Director

Highland Copper Company Inc.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

<i>(unaudited, in Canadian dollars)</i>	3 rd Quarter ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Expenses and other items				
Management and administration (Note 11)	467,247	340,379	2,559,239	1,195,817
Pre-exploration	-	856,100	79,204	1,458,117
Accretion on environmental liability (Note 8)	4,190	-	13,052	-
Finance income	(2,325)	(1,279)	(6,999)	(5,361)
Gain on foreign exchange	(32,289)	(71,478)	(31,083)	(71,713)
Net loss for the period	(436,823)	(1,123,722)	(2,613,413)	(2,576,860)
Other comprehensive income				
Item that will not be subsequently reclassified to income				
Foreign currency translation adjustment	4,232,442	478,749	7,098,869	628,605
Total comprehensive income (loss) for the period	3,795,619	(644,973)	4,485,456	(1,948,255)
Basic and diluted loss per common share	(0.00)	(0.02)	(0.03)	(0.05)
Weighted average number of common shares - basic and diluted	102,944,119	52,986,585	98,930,116	52,526,723

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>(unaudited, in Canadian dollars)</i>	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Cumulative translation adjustment	Shareholders' equity
		\$	\$	\$	\$	\$
Balance at June 30, 2014	96,966,745	41,394,661	4,221,734	(10,450,128)	248,024	35,414,291
Private placement (Note 9)	30,410,746	6,458,495	1,144,192	-	-	7,602,687
Share issue expenses	-	(219,459)	-	-	-	(219,459)
Share-based remuneration	-	-	742,819	-	-	742,819
	30,410,746	6,239,036	1,887,011	-	-	8,126,047
Loss for the period	-	-	-	(2,613,413)	-	(2,613,413)
Other comprehensive income						
Foreign currency translation adjustment	-	-	-	-	7,098,869	7,098,869
Balance at March 31, 2015	127,377,491	47,633,697	6,108,745	(13,063,541)	7,346,893	48,025,794
Balance at June 30, 2013	52,277,878	19,801,726	3,609,412	(7,026,909)	460,798	16,845,027
Shares issued pursuant to a property option agreement	66,667	10,000	-	-	-	10,000
Private placement	4,127,400	2,063,700	-	-	-	2,063,700
Share issue expenses	-	(81,817)	-	-	-	(81,817)
Share-based remuneration	-	-	519,583	-	-	519,583
	4,194,067	1,991,883	519,583	-	-	2,511,466
Loss for the period	-	-	-	(2,576,860)	-	(2,576,860)
Other comprehensive income						
Foreign currency translation adjustment	-	-	-	-	628,605	628,605
Balance at March 31, 2014	56,471,945	21,793,609	4,128,995	(9,603,769)	1,089,403	17,408,238

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 Flows

<i>(unaudited, in Canadian dollars)</i>	3rd Quarter ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(436,823)	(1,123,722)	(2,613,413)	(2,576,860)
Adjustments				
Share-based remuneration	-	74,327	634,008	436,050
Depreciation and amortization	4,066	2,393	19,182	7,300
Unrealized gain on foreign exchange	(31,083)	(71,478)	(31,083)	(71,713)
Accretion on environmental liability	4,190	-	13,052	-
Finance income accrued	(2,325)	(1,279)	(6,999)	(5,361)
Finance income received	671	671	6,394	5,361
Changes in working capital items				
Sales taxes receivable	(7,476)	(25,555)	86,031	(15,810)
Prepaid expenses and other	(37,713)	2,392	(77,583)	14,094
Accounts payable and accrued liabilities	(12,276)	560,264	(293,298)	350,385
	(518,769)	(581,987)	(2,263,709)	(1,856,554)
Investing activities				
Acquisition of capital assets (Note 3)	(10,835)	(71,572)	(61,083)	(110,509)
Disposal of capital assets (Note 3)	-	8,963	27,837	8,963
Additions to exploration and evaluation assets (Note 4)	(3,802,342)	(803,785)	(6,653,506)	(3,032,018)
Additions to deferred acquisition expenses	-	(305,259)	-	(393,708)
	(3,813,177)	(1,171,653)	(6,686,752)	(3,527,272)
Financing activities				
Deposit on sale of royalty (Note 6)	-	-	10,000,000	-
Reimbursement of promissory note (Note 5)	-	-	(8,141,000)	-
Issue of shares (Note 9)	7,602,687	2,063,700	7,602,687	2,063,700
Share issue expenses (Note 9)	(219,459)	(81,817)	(219,459)	(81,817)
	7,383,228	1,981,883	9,242,228	1,981,883
Effect of exchange rate changes on cash held in foreign currency	(302,221)	54,356	(247,818)	52,082
Net change in cash	2,749,061	282,599	43,949	(3,349,861)
Cash, beginning of period	537,598	2,607,768	3,242,710	6,240,228
Cash, end of period	3,286,659	2,890,367	3,286,659	2,890,367
Supplemental cash flow information				
Current liabilities related to exploration and evaluation assets	938,308	846,108	1,810,497	960,006
Depreciation and amortization included in exploration and evaluation assets	63,961	74,164	204,443	211,378
Share-based remuneration included in exploration and evaluation assets	-	17,394	108,811	83,533
Finance expense included in exploration and evaluation assets	121,851	-	375,993	-
Gain on disposal of assets included in exploration and evaluation assets	-	-	(7,774)	-
Shares issued included in exploration and evaluation assets	-	-	-	10,000

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

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

1. GENERAL INFORMATION AND GOING CONCERN

Highland Copper Company Inc. ("Highland") is a Canadian-based company. Highland and its subsidiaries (together the "Company") are engaged in the acquisition, exploration and development of mineral properties in the state of Michigan, USA. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. All financial results in these condensed interim consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. Highland's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol HI.

In May 2014, the Company completed the interim closing for the acquisition of the White Pine copper project (the "White Pine Project"), which includes surface and mineral rights related to the White Pine North Project (the "White Pine North Project") and in June 2014, the Company acquired the Copperwood copper project (the "Copperwood Project"). The Company also has an option to acquire a 65% interest in the Keweenaw project which hosts the 543S deposit, the G-2 project and other target areas (the "Keweenaw Project").

The Board of Directors approved and authorized for issue these condensed interim consolidated financial statements on May 26, 2015.

Going concern

The Company is at the exploration stage and as is common with many exploration companies, it raises funds on the equity market to conduct its activities. The Company has incurred a net loss of \$2,613,413 during the nine months ended March 31, 2015 and has an accumulated deficit of \$13,063,541 at March 31, 2015. The Company has a working capital deficit of \$10,229,737 at March 31, 2015, including a refundable deposit of \$10,000,000 to be exchanged for a royalty on all metals from the White Pine North Project upon the completion of the acquisition of the White Pine North Project (Note 6). The Company requires additional funds to meet all of its obligations, to pursue exploration and development work on its mineral projects, to provide for management and administration expenses for at least the next 12 months and to ensure the Company's ability to continue as a going concern. Such funding requirements may be met in the future in a number of ways, including but not limited to the issuance of securities, debt financing or other arrangements. There is no assurance that such additional funds can be raised even if the Company has been successful in the past in doing so.

If the Company is not successful in raising additional funds and it is not able to complete the acquisition of the White Pine North Project, the Company may not be able to refund the \$10 million deposit described in Note 6, it may be required to delay, reduce the scope of, or eliminate its current or future exploration and development activities and it may be unable to meet the earn-in requirements under the venture agreement with BRP. These conditions and uncertainties indicate the existence of material uncertainties that casts a significant doubt about the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for these condensed interim consolidated financial statements, adjustments to the carrying value of assets and liabilities, in particular an impairment of exploration and evaluation assets, and reported expenses would be necessary.

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and follow the same accounting policies as the Company's most recent annual consolidated financial statements. They do not contain all of the information and disclosures required for annual financial statements, and should be read in conjunction with the Company's audited consolidated financial statements for the years ended June 30, 2014 and 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Significant accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual results could differ significantly from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, environmental liability and share-based payments. The most significant judgement relates to the preparation of these condensed interim consolidated financial statements on a going concern basis.

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

3. CAPITAL ASSETS

Capital assets subject to depreciation and amortization are as follows:

	Intangible assets	Vehicles	Computer equipment and furniture	Exploration equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at June 30, 2014	122,712	232,315	133,310	425,797	70,196	984,330
Additions	1,384	48,457	1,260	9,982	-	61,083
Disposals	-	(21,495)	-	-	-	(21,495)
Effect of foreign exchange	12,255	50,633	24,184	80,359	13,075	180,506
Balance at March 31, 2015	136,351	309,910	158,754	516,138	83,271	1,204,424
Accumulated depreciation and amortization						
Balance at June 30, 2014	53,152	122,627	110,036	204,639	65,419	555,873
Depreciation and amortization	35,989	64,515	12,807	105,145	5,169	223,625
Disposals	-	(1,432)	-	-	-	(1,432)
Effect of foreign exchange	9,087	34,092	20,927	48,363	12,683	125,152
Balance at March 31, 2015	98,228	219,802	143,770	358,147	83,271	903,218
Carrying amounts						
Balance at June 30, 2014	69,560	109,688	23,274	221,158	4,777	428,457
Balance at March 31, 2015	38,123	90,108	14,984	157,991	-	301,206

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

Amounts invested in exploration and evaluation assets are as follows:

	White Pine Project	Copperwood Project	Keweenaw Project	Other Properties	Total
	\$	\$	\$	\$	\$
Balance at June 30, 2014	5,028,094	23,898,745	13,203,414	515,681	42,645,934
Additions:					
Property payments	-	125,317	-	48,531	173,848
Site preparation, drilling and assaying	3,890,448	-	1,855	-	3,892,303
Labour	1,385,367	205,326	104,174	-	1,694,867
Studies	1,226,268	104,750	16,551	-	1,347,569
Other expenses	655,609	86,475	36,353	-	778,437
Gain on disposal of capital assets	-	(7,774)	-	-	(7,774)
Depreciation and amortization	152,387	4,762	47,294	-	204,443
Share-based remuneration	-	-	108,811	-	108,811
Finance expense	-	952,972	-	-	952,972
Effect of foreign exchange	1,639,531	4,593,547	2,224,643	100,731	8,558,452
	8,949,610	6,065,375	2,539,681	149,262	17,703,928
Balance at March 31, 2015	13,977,704	29,964,120	15,743,095	664,943	60,349,862

White Pine Project

On May 13, 2014 (the interim closing date), the Company entered into an agreement to acquire from Copper Range Company ("CRC") all of CRC's rights, title and interest in the White Pine Project and issued to CRC 3,000,000 of its common shares valued at \$1,500,000. Highland further agreed that, upon completion of a feasibility study and receipt of all necessary permits for the development of a mine at White Pine, it will pay as additional consideration, in cash or in common shares of Highland, at the option of CRC, an amount equal to US\$0.005 (one half of one cent) per pound for the first 1 billion pounds of proven and probable reserves of copper and US\$0.0025 (one quarter of one cent) for each additional pound of proven and probable reserves of copper.

The final closing of the acquisition will be completed once Highland has (i) released CRC for a US\$2.85 million financial assurance letter of credit associated with the remediation and closure plan of the previous White Pine operation in a manner that is acceptable to all parties involved, including the applicable governmental authorities; and (ii) released CRC from its environmental obligations with the Michigan Department of Environmental Quality. At that time, Highland will assume all of CRC's environmental liabilities related to White Pine and will also be responsible for all on-going environmental obligations. Final closing is anticipated to occur by December 31, 2015.

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Copperwood Project

On June 17, 2014, the Company acquired the Copperwood Project through the acquisition from Orvana Minerals Corp., a TSX-listed company ("Orvana"), of all of the outstanding shares of Orvana Resources US Corp. ("Orvana US"). Highland paid US\$13 million in cash at closing and issued a US\$7 million secured promissory note (the "Note"), described in Note 5. An additional consideration of up to US\$5 million may be paid by Highland in cash or shares of Highland, at Orvana's option, of which US\$2.5 million was accounted for as the "Future Consideration" described in Note 7. An amount of US\$1.25 million may also be payable if the average copper price for any 60 calendar day period following the first anniversary and preceding the second anniversary of commencement of commercial production is greater than US\$4.25/lb; and an additional payment of US\$1.25 million if the average copper price for any 60 calendar day period following the second anniversary and preceding the third anniversary of the commencement of commercial production is greater than US\$4.50/lb. This contingent liability of US\$2.5 million will only be recognized if and when the contingency is satisfied.

The Copperwood Project consists of a number of mineral leases, which call for annual rent payments until 2036. The mineral leases are also subject to quarterly NSR royalty payments and will range from 2% to 4% on a sliding scale based on inflation-adjusted copper prices. Under the mineral leases, Orvana US will have mineral rights until the later of the 20th anniversary of the date of the lease or the date Orvana US ceases to be actively engaged in development, mining, or related operations on the property. The mineral leases may be terminated by Orvana US, the Company's wholly owned subsidiary, on 60 days' notice.

Keweenaw Project

Under a Mining Venture Agreement (the "Venture Agreement") with BRP LLC ("BRP"), the Company has an option to acquire a 65 percent interest in the Keweenaw Project by spending US\$11,500,000 in exploration and development work and providing a feasibility study by October 26, 2015. At March 31, 2015, a cumulative amount of US\$13,084,587 in eligible expenditures had been spent on the Keweenaw Project. Upon satisfying all conditions and exercising the option, the Company will have a 65% interest and BRP will have a 35% interest in the property. In addition, BRP will be entitled to a sliding scale net smelter return royalty from production ("NSR") on those properties contributed by BRP based on the price per pound of copper with a minimum of 2% up to a maximum of 5%.

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

5. PROMISSORY NOTE

In connection with the acquisition of the Copperwood Project described in Note 4, the Company had issued a promissory note in the amount of US\$7,000,000 to Orvana. On December 15, 2014, the Company reimbursed the promissory note in full and paid to Orvana an amount of \$8,761,412, including the principal amount of \$8,141,000 and accrued interest of \$620,412.

6. DEPOSIT ON SALE OF ROYALTY

On December 15, 2014, Osisko Gold Royalties Ltd. ("Osisko") made a \$10 million refundable deposit on a 3% sliding-scale NSR royalty on all metals from the White Pine North Project (the "White Pine North Royalty"). The Osisko deposit is secured against all of the Company's assets. Upon completion of the acquisition of the White Pine North Project, the Osisko deposit will be exchanged for the White Pine North Royalty. In the event the acquisition of the White Pine North Project is not completed by December 31, 2015, the Osisko deposit will need to be refunded and will bear interest at the rate of Libor + 5% until it is refunded. The White Pine North Royalty will have a base rate of 3% and will increase by 0.01% for every \$0.01 increase in the copper price above \$3.00 per pound.

In connection with the White Pine North Royalty, the Company has granted to Osisko an option to purchase for US\$26 million any future silver production from the Company's projects, including White Pine and Copperwood (the "Michigan Projects"). Osisko may elect to exercise the option to purchase the silver production by paying US\$26 million to the Company within 60 days following the delivery to Osisko of a feasibility study on the Michigan Projects.

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

7. BALANCE OF PURCHASE PRICE PAYABLE

In connection with the acquisition of the Copperwood Project described in Note 4, the Company has accounted for the estimated fair value of the Future Consideration using a discount rate of 20%. The Future Consideration in the amount of US\$2,500,000 may be paid by Highland to Orvana in cash or shares of Highland, at Orvana's option, with US\$1.25 million payable upon the earliest of (i) commencement of commercial production of Copperwood and (ii) June 17, 2017; and an additional US\$1.25 million on the first anniversary of this payment. The balance of purchase price payable at March 31, 2015 was determined as follows:

	Nine months ended March 31, 2015
	\$
Balance, beginning of period	1,434,850
Accretion expense	375,993
Effect of foreign exchange	303,446
Balance, end of period	2,114,289

8. ENVIRONMENTAL LIABILITY

Changes to the environmental liability, which consists of reclamation costs related to the White Pine Project, are as follows:

	Nine months ended March 31, 2015
	\$
Balance, beginning of period	225,022
Accretion expense	13,052
Effect of foreign exchange	43,174
Balance, end of period	281,248

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

9. SHARE CAPITAL AND WARRANTS

Issued and fully paid

At March 31, 2015, the Company had 127,377,491 issued and outstanding common shares (96,966,745 at December 31, 2014).

Issuance of shares

In March 2015, the Company completed in three (3) tranches a non brokered private placement for gross proceeds of \$7,602,687 (the "Financing"). A total of 30,410,746 units, each unit comprised of one common share of the Company and one half of one share purchase warrant ("Warrant"), were sold at \$0.25 per unit. Each Warrant is exercisable for a period of 18 months from the closing at an exercise price of \$0.50 to acquire one common share. Proceeds of the Financing were allocated between common shares and Warrants based on their relative fair values. The fair value of the common shares was calculated by using the subscription price of the Financing and the value of the Warrants was measured based on the Black-Scholes option pricing model, using a risk-free interest rate of 0.50%, an expected life of the Warrants of 1.5 years, an annualized volatility of 103% (determined by reference to historical data) and a dividend rate of 0%. An amount of \$1,144,192 was allocated to such Warrants and was presented as part of contributed surplus. The Company paid finders' fees totaling \$181,250 and incurred other share issue expenses of \$38,209.

Share purchase warrants

The following table reflects the activity in warrants during the nine months ended March 31, 2015 and the number of issued and outstanding share purchase warrants at March 31, 2015:

	Number of warrants June 30, 2014		Issued	Exercised	Number of warrants March 31, 2015	Price per share	Expiry date
						\$	
Private placement – May 2012 (1)	41,250,000	-	-	-	41,250,000	0.75	Mar 31, 2016
Private placement – March 11, 2015	-	12,275,020	-	-	12,275,020	0.50	Sep 11, 2016
Private placement – March 20, 2015	-	1,680,000	-	-	1,680,000	0.50	Sep 20, 2016
Private placement – March 27, 2015	-	1,250,353	-	-	1,250,353	0.50	Sep 27, 2016
	41,250,000	15,205,373	-	-	56,455,373	0.68	
Average price	0.75	0.50	-	-	0.68		

(1) In March 2015, the Company further extended the expiry date of the 41,250,000 share purchase warrants originally issued in three tranches in May 2012 as part of a non brokered private placement of the Company's securities. The original expiry dates of May 2014 were previously extended to March 31, 2015. The new expiry date is March 31, 2016 and the exercise price of \$0.75 remains unchanged.

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

10. STOCK OPTIONS

The following table sets out the activity in stock options:

	Nine months ended March 31, 2015	
	Number	Weighted average exercise price (\$)
Options, beginning of period	4,442,000	0.59
Granted	1,400,000	0.50
Expired	(130,000)	(0.85)
Options, end of period	5,712,000	0.57

On August 1, 2014, the Company granted 1,400,000 stock options to officers of the Company and a consultant. The stock options have a five year term and are exercisable at a price of \$0.50 per share. A total of 700,000 of the stock options granted vested on the date of grant and 700,000 vested on December 1, 2014. The fair value of the stock options was estimated at \$0.44 per option by applying the Black-Sholes option pricing model, using an expected time-period of 5 years, a semi-annual weighted-average risk-free interest rate of 1.46%, a volatility rate of 145% and a 0% dividend factor.

The following table reflects the stock options issued and outstanding at March 31, 2015:

Issue date	Number of options	Exercise price \$	Remaining contractual life (years)	Number of exercisable options	Exercise price of exercisable options \$
September 22, 2006	2,000	1.00	1.5	2,000	1.00
April 28, 2010	20,000	0.50	0.1	20,000	0.50
July 6, 2012	400,000	0.50	2.3	400,000	0.50
November 5, 2012	3,890,000	0.60	2.6	3,890,000	0.60
August 1, 2014	1,400,000	0.50	4.3	1,400,000	0.50
	5,712,000	0.57	3.0	5,712,000	0.57

At March 31, 2015, no amount remains to be amortized in future periods related to the grant of stock options.

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

11. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	3 rd Quarter ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Administrative and general	300,440	139,732	1,051,409	346,480
Office	69,810	29,917	179,775	87,747
Professional fees	3,728	13,422	400,693	72,524
Investor relations and travel	77,916	71,447	248,660	229,909
Reporting issuer costs	11,287	9,141	25,512	15,807
	463,181	263,659	1,906,049	752,467
Share-based remuneration	-	74,327	634,008	436,050
Depreciation and amortization	4,066	2,393	19,182	7,300
	467,247	340,379	2,559,239	1,195,817

12. RELATED PARTY TRANSACTIONS

During the 3rd Quarter and the nine months ended March 31, 2015, the Company incurred administration expenses of \$115,785 and \$373,692 from Reunion Gold Corporation, a related party by virtue of common management and directors (\$65,682 and \$158,232 during the 3rd Quarter and the nine months ended March 31, 2014). These charges were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

Remuneration of directors and key management of the Company

The remuneration awarded to directors and to senior key management, including the Executive Chairman, the interim President and CEO, the Executive Vice-President and the CFO, is as follows:

	3 rd Quarter ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Salaries, benefits and director fees	165,873	21,599	499,417	66,220
Consulting fees	126,920	116,891	310,680	315,929
Share-based remuneration	-	68,346	532,378	408,049
	292,793	206,836	1,342,475	790,198

Highland Copper Company Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2015 (unaudited - in Canadian dollars)

13. 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:

	March 31, 2015		
	Canada	USA	Total
	\$	\$	\$
Current assets	3,294,408	202,861	3,497,269
Capital assets	25,779	275,427	301,206
Exploration and evaluation assets	-	60,349,862	60,349,862
Total assets	3,320,187	60,828,150	64,148,337

	June 30, 2014		
	Canada	USA	Total
	\$	\$	\$
Current assets	3,403,109	58,513	3,461,622
Capital assets	44,962	383,495	428,457
Exploration and evaluation assets	-	42,645,934	42,645,934
Total assets	3,448,071	43,087,942	46,536,013

14. EVENTS AFTER THE REPORTING DATE

Lease of mineral rights

On April 24, 2015, the Company entered into an agreement to lease certain mineral rights located in White Pine, Michigan from a private Michigan limited liability corporation. The mineral lease is for 20 years, with an option for an additional 5 years. Payment at closing consisted of US\$225,000 in cash and the issuance of 2,164,701 common shares of Highland (being the equivalent of US\$400,000 divided by the 20-day volume weighted average trading price of Highland as of the day prior to closing). Additional cash payments will be payable on the first and second anniversaries of closing. Annual rent will also be payable on each anniversary of the lease. Upon commencement of production, Highland will have to pay a sliding scale royalty on copper and silver production from the leased mineral rights with a base royalty of 2% for copper and 2.5% for silver. The Company has an option to repurchase 50% of the royalties. Highland may terminate the lease at any time upon a 30 day notice.

Grant of stock options

On April 22, 2015, the Company announced that it has granted an aggregate of 1,905,000 stock options to directors, officers, employees and consultants of the Company. The options are exercisable for a period of five years at an exercise price of \$0.25 per share, subject to certain vesting conditions.