



Highland Copper Acquires Rio Tinto Exploration Properties in Michigan

Longueuil, Canada, May 31, 2017. Highland Copper Company Inc. (TSX-V: HI) (“Highland” or the “Company”) is pleased to announce that it has acquired from Kennecott Exploration Company and Rio Tinto Nickel Company (“RTX”), subsidiaries of the Rio Tinto Group, all of their mineral properties covering approximately 447,842 acres in the Upper Peninsula of the State of Michigan, U.S.A (the “UPX Properties”).

The UPX Properties were acquired by Highland’s wholly owned subsidiary, UPX Minerals Inc. (“UPX”), on May 30th, 2017. The consideration for the acquisition is US\$18.0 million of which US\$2.0 million was paid at closing and UPX issued a US\$16 million secured non-interest bearing promissory note (the “Note”) in favour of RTX that provides the following repayment schedule: US\$1.0 million on the first anniversary of the closing and US\$3.0 million on each of the second, third, fourth, fifth and sixth anniversary dates of the acquisition. The payments under the Note will be accelerated if Highland publicly releases a feasibility study covering any portion of the UPX Properties. The Note is secured by a first priority security interest over all of the properties acquired and Highland has guaranteed the repayment of the Note and all other obligations pursuant to the asset purchase agreement between RTX and UPX dated May 30, 2017.

RTX has retained a 2% net smelter return royalty (the “NSR”) on all mineral interests. Highland has an option to buy-down half of the 2% NSR by paying US\$8 million to RTX. The option will be exercisable at any time prior to the eleventh anniversary of the closing of the transaction.

In addition to the UPX Properties, the acquisition includes all financial, geological, geophysical, geochemical, environmental and other technical information related to the properties including maps, geophysical and geochemical surveys, drill core, and other technical and operational information generated by RTX.

The acquisition of the UPX Properties establishes Highland as a dominant mining exploration and development company in the Upper Peninsula of Michigan and offers the opportunity to build a pipeline of projects that could be developed in the future. Since 2003, the UPX Properties have been subject to over 69,500 line-miles of detailed airborne geophysical surveys as well as 147 diamond drill holes. Almost all the RTX exploration effort was focused on Ni-Cu targets and the program ultimately led to the discovery of the Eagle Mine. Exploration for deposits of other commodities was limited even if the mineral potential is considered as excellent. The area shown in red on the maps (see Figures 1 and 2) indicates the general area within which the UPX Properties are located.

The land package covers the extension into Michigan of the Wawa-Abitibi geological Subprovince, which is part of the Superior Province of the Canadian Shield. The Superior Province is a geologically distinct Archean (>2.5 billion years old) province that stretches from Quebec through Ontario and into Minnesota and Michigan in the US and is well known for its mineral endowment.

Previous exploration work has identified the potential for several mineral deposit types on the UPX Properties, including nickel-copper massive sulphides in Mesoproterozoic rocks, orogenic gold in Archean greenstone belts and zinc-copper in Paleoproterozoic sediments. The Archean and Proterozoic rock assemblages are separated by the Great Lakes Tectonic zone, a large crustal boundary that in the Marquette area is 2.4 km wide (see Figure 2).

Exploration work planned for the next 12 months includes compilation of all available data to better understand the potential of the various properties. The work program will also include field mapping and soil surveys along with ground geophysics. A re-interpretation of available geophysical data will also be carried out with emphasis on the understanding of the various geological environments. Budgeted expenditures for this exploration phase are approximately US\$1.5 million. Some targets may be ready for drill testing in 2018.

As Highland is presently focused on developing the Copperwood project, once the initial compilation work has been completed a strategic decision will be taken regarding which of the UPX properties will be made available to joint venture partners.

Mr. Denis Miville-Deschênes, President & CEO of Highland commented on the acquisition of the RTX's properties. "Although the Company's focus remains the Copperwood project, we believe that our new exploration package is highly prospective given that, for many of the targeted commodities, the region has been under-explored. The acquired properties also represent a significant project pipeline for the future".

The technical information in this news release has been reviewed and approved by Carlos Bertoni, P. Geo, Executive Vice President, Project Development of Highland, and a Qualified Person.

ABOUT HIGHLAND

Highland Copper Company Inc. is a Canadian exploration company focused on exploring and developing copper projects in the Upper Peninsula of Michigan, U.S.A. The Company has 459,148,153 common shares issued and outstanding. More information about the Company is available on the Company's website at www.highlandcopper.com and on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT

This press release contains certain forward-looking statements within the meaning of applicable Canadian securities legislation. These forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ from future results, performance or achievements expressed or implied by such forward looking information. Such factors include, among others, risks related to the actual results of exploration activities, risks associated with mining and mineral exploration activities, future prices of metals, environmental risks and hazards, availability of future financing, and government regulation. There is no guarantee that any drill targets or economic mineral deposits will be found on RTX Properties. For a more detailed discussion of such risks and other factors, refer to the Companies continuous disclosure documents available on www.sedar.com.

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.

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Figure 1

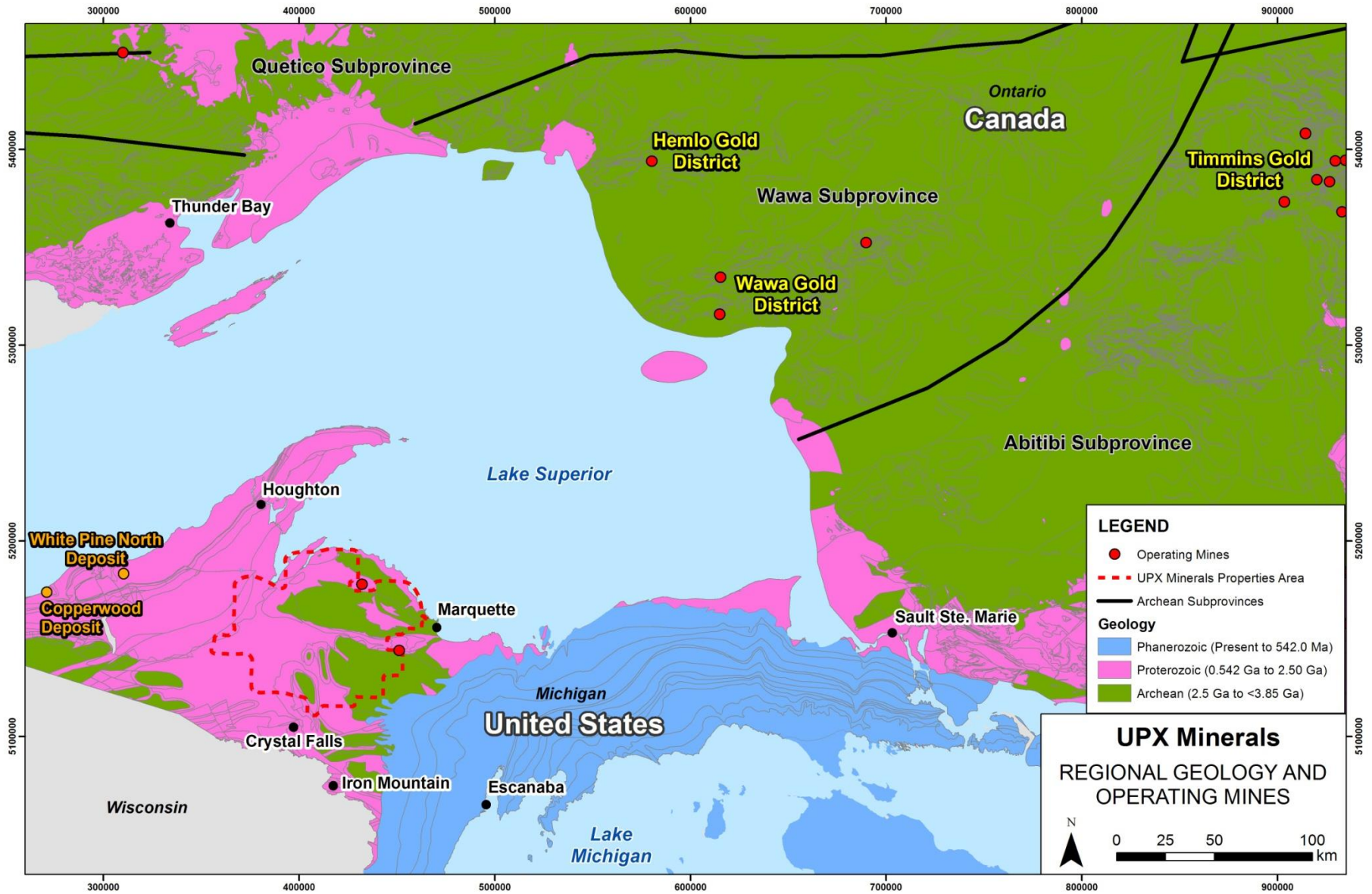


Figure 2

