HIGHLAND Copper Company Inc.

MANAGEMENT'S DISCUSSION & ANALYSIS

Year ended June 30, 2015

HIGHLAND COPPER COMPANY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2015

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Highland Copper Company Inc. ("Highland" or the "Company"), dated October 15, 2015, covers the years ended June 30, 2015 and 2014 and should be read in conjunction with the audited consolidated financial statements and related notes at June 30, 2015 and 2014 (the "June 30, 2015 and 2014 consolidated financial statements"). The June 30, 2015 and 2014 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

DESCRIPTION OF BUSINESS

Highland is a Canadian-based company engaged in the acquisition, exploration and development of mineral properties. The Company's mineral projects are located in Michigan, USA. Highland's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol HI. At October 15, 2015, the Company had 153,968,626 common shares issued and outstanding.

The Company has assembled a number of advanced-stage copper projects located in Michigan's Upper Peninsula region, including **Copperwood**, a feasibility stage project, acquired in June 2014 from Orvana Minerals Corp. ("Orvana"), **White Pine North**, acquired in May 2014 from a wholly-owned subsidiary of First Quantum Minerals Ltd. (subject to final closing expected to occur by December 31, 2015) and **Keweenaw**, which includes the 543S and G-2 deposits (subject to the exercise of an option to acquire a 65% interest in the project from BRP LLC). The Company has also entered into lease agreements entitling the Company to explore and develop certain other projects located in the same area.

FINANCIAL CONDITION

At June 30, 2015, the Company had a working capital deficit of $12.0 million. This amount includes a $10.0 million refundable deposit to be exchanged for a royalty on all metals from the White Pine North Project on completion of the acquisition of the White Pine project (see details of the $10.0 million refundable deposit under *Financing Activities* section). 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, and to ensure the Company's ability to continue as a going concern.

On October 6, 2015, the Company completed a private placement with Osisko Gold Royalties Ltd., a TSX-listed company, ("Osisko") and issued 24,426,434 common shares for a total consideration of $3,663,965 (see detail under *Financing Activities* section). However, the Company will require additional funds to meet its exploration and development objectives and to provide for management and administration expenses for at least the next 12 months. Such funding requirements may be met in the future in a number of ways, including the issuance of securities, debt financing, joint venture or other arrangements. There can be no assurance that the Company will be able to raise the funds required. If the Company is not successful in raising additional funds and it is not able to complete the acquisition of the White Pine project, the Company may not be able to refund the $10.0 million deposit described above and it may be required to delay, reduce the scope of, or eliminate its current or future exploration and development activities.

FINANCING ACTIVITIES

Private Placements

On October 6, 2015, the Company completed a non-brokered private placement of 24,426,434 common shares with Osisko at a price of $0.15 per share for gross proceeds of $3,663,965. Following completion of the private placement, the Company has 153,968,626 shares issued and outstanding and Osisko owns 29,420,434 shares (representing approximately 19.1% of the issued and outstanding shares of Highland on a non-diluted basis).

In March 2015, the Company completed in three (3) tranches a non brokered private placement for gross proceeds of $7,602,687. 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 of the Company. The Company paid finders' fees totaling $181,250 in connection with this private placement.

Royalty agreements with Osisko

On December 15, 2014, Osisko made a $10.0 million refundable deposit on a 3% sliding-scale net smelter return ("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 addition, the Company has granted to Osisko an option to purchase for US$26 million any future silver production from the Company's Michigan projects, including White Pine and Copperwood (the "Silver Royalty"). 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.

As part of the White Pine North Royalty transaction, Osisko has the right to nominate one director to the Board of Highland. Osisko will also be entitled to nominate one additional director to the Board of Highland if it exercises the Silver Royalty option.

Reimbursement of Note due to Orvana

A portion of the proceeds from the Osisko $10.0 million deposit was used to reimburse the US$7 million promissory note and accrued interest due to Orvana for the acquisition of the Copperwood project (see *Copperwood Project* section).

Extension of Expiry Date of 2012 Warrants

In March 2015, the Company further extended the term of the 41,250,000 share purchase warrants originally issued in three tranches as part of a non-brokered private placement of the Company's securities in May 2012. 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.

Grant of Stock Options

On August 1, 2014, the Company granted 1,400,000 stock options to officers of the Company. These stock options have a five year term, are exercisable at a price of $0.50 per share and have fully vested at June 30, 2015. On April 22, 2015, the Company 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. A total of 830,000 options will vest subject to the achievement of certain defined performance objectives. The balance of 1,075,000 options will vest over a two-year period.

EXPLORATION AND DEVELOPMENT ACTIVITIES

During the financial year ended June 30, 2015, the Company has conducted exploration and development activities on its Michigan projects as more particularly described below.

Copperwood Resource Estimate

On May 11, 2015, the Company announced a mineral resource estimate for its 100%-owned Copperwood Project located in Gogebic County, western Upper Peninsula of Michigan, and on June 25, 2015 the Company filed on SEDAR a NI 43-101 technical report in support of the resource estimate. The mineral resource estimate presented in the following table was prepared by G Mining Services Inc. ("G Mining"), an independent Canadian mining consultant. The current mineral resource estimate is based on 1,726 assay results from 324 diamond drill holes totaling 59,230 meters, drilled by three companies between 1956 and 2013.

Copperwood Project
Mineral Resource Estimate – April 15, 2015

Deposits	Resource Category	Tonnage (Mt)	Copper Grade (%)	Silver Grade (g/t)	Copper Contained (M lbs)	Silver Contained (M oz)
Copperwood	Measured	22.5	1.73	5.08	861	3.7
	Indicated	6.6	1.37	2.56	200	0.5
	M + I	29.1	1.65	4.51	1061	4.2
	Inferred	1.9	1.24	2.36	52	0.1
Satellites	Inferred	38.6	1.23	2.09	1050	2.6

Notes on Mineral Resource Estimate

(1) Mineral Resources are reported using a copper price of $3.00/lb and a silver price of $20/oz.
(2) A payable rate of 96.5% for copper and 90% for silver was assumed.
(3) The Copperwood feasibility study reported metallurgical testing with recovery of 86% for copper and 50% for silver.
(4) Cut-off grade of 1.0% copper was used.
(5) Operating costs are estimated at $49/t of ore including ore transportation to a plant at the White Pine site.
(6) An NSR sliding scale royalty is applicable and equivalent to 3.0% at $3.00/lb.
(7) Measured, Indicated and Inferred Mineral Resources have a drill hole spacing of 175 m, 250 m and 350 m, respectively.
(8) No mining dilution and mining loss were considered for the Mineral Resources.
(9) Rock bulk densities are based on rock types, % copper and proximity to specific gravity measurements.
(10) Classification of Mineral Resources conforms to CIM definitions.
(11) The qualified person for the estimate is Mr. Réjean Sirois, P. Eng., Vice President Geology and Resources of G Mining. The estimate has an effective date of April 15, 2015.
(12) Mineral resources, which 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.
(13) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as indicated or measured mineral resources.

Resource Drilling at White Pine North

During January and February 2015, Highland completed 27 diamond drill holes totaling 19,152 meters over an area of approximately eight square kilometers at the White Pine North deposit, Ontonagon County. Two holes were cased for re-entry at a later date because of spring melting. Six holes were inclined to obtain structural data for geotechnical studies and were surveyed with televiewer technology. The program used HQ core size and recoveries averaged over 99 percent. Highland designed its 2015 winter drilling program primarily to (i) infill the historical drill grid to prepare an estimate of mineral resource and (ii) obtain information to guide mine planning. The program was successful and the results from this second phase infill drilling *(news release of April 23, 2015)* are consistent with results from Highland's 2014 drilling program (*news release of July 3, 2014*) and confirmed copper-silver mineralization from adjacent historical drill holes completed by the previous operator. Highland also completed seven wedges to obtain approximately 200 kg of mineralized samples for metallurgical testing. The Company maintains a rigorous QA/QC program with respect to the preparation, shipping, analysis and checking of all samples and data from the properties. Activation Laboratories in Thunder Bay, Ontario, Canada (IOS 17025 accreditation) assayed all samples from the 2015 winter drilling program using an ICP method tailored for the project samples.

543S Resource Estimate

On August 25, 2014, the Company announced an initial resource estimate for the 543S copper deposit which is part of the Keweenaw Project, Keweenaw County, and a NI 43-101 technical report in support of the resource was filed on SEDAR on October 9, 2014. The mineral resource estimate was prepared by G Mining. After a detailed review of different options, Highland and G Mining have opted to report the mineral resources for potential underground development of the 543S deposit. This initial mineral resource estimate for the 543S copper deposit is based on 262 diamond drill holes totaling 45,608 m, of which 220 are NQ core size and 42 HQ core size, on a drill grid spaced 30.5 m by 15 m. Refer to the August 25, 2014 press release for further detail related to this initial resource estimate of the 543S deposit.

543S Copper & Silver Project – Base Case - Underground Scenario
Mineral Resource Estimate – July 5, 2014

Resource Category	Cut-Off Grade Cu Eq. (%)	Tonnage ('000 t)	Grade Cu Eq. (%)	Grade Cu (%)	Copper ('000 lbs)	Grade Ag (g/t)	Silver ('000 oz)
Indicated	1.9	1,518	3.31	3.27	109,514	5.1	248
Inferred	1.9	193	3.12	3.08	13,116	4.8	30

Notes on Mineral Resource

(1) Cu Equivalent = Cu% + (Ag g/t * 20$/oz * 80% * 90%) / (22.0462 lbs/10kg * 3$/lb * 31.1035 g/oz * 90% * 96.5%)
(2) Mineral Resources are reported using a copper price of 3$/lb and a silver price of 20$/oz
(3) A payable rate of 96.5% for copper and 90% for silver was assumed
(4) Preliminary metallurgical testing suggests recovery of 90% for copper and 80% for silver
(5) Cut-off grade of 1.9% Cu Eq. was used
(6) Underground mining costs are estimated at 57.27$/t of ore
(7) Production costs are estimated at 37.50$/t of ore: 12.00$/t for processing, 2.50$/t for general and administrative costs, 0.50$/t for tailings and 22.50$/t for ore transportation to White Pine Complex
(8) A 5% royalty was used (4.99$/t ore)
(9) No mining dilution and mining loss were considered for the Mineral Resources
(10) Rock bulk densities are based on rock types, %Cu and proximity to specific gravity measurements
(11) Assay capping was applied to some mineralized domains
(12) Classification of Mineral Resources conforms to CIM definitions
(13) The qualified person for the estimate is Mr. Réjean Sirois, eng., Vice President Geology and Resources of G Mining.
(14) Mineral resources, which 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.
(15) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as indicated or measured mineral resources.

Pre-Feasibility Study

During the financial year ended June 30, 2015, work on several disciplines as part of a pre-feasibility study ("PFS") were conducted. G Mining is managing the PFS, which began in September 2014. Other independent technical consultants have also been retained to conduct certain work. The main purpose of the study is to consider and assess the potential development of the Company's Michigan projects through a centralized processing facility to be located at the White Pine site, which could also benefit from existing infrastructures. The White Pine brownfield site is being considered for several infrastructure installations such as tailings basins, water and natural gas pipelines, rail spur, electrical substation, and warehousing, to minimize impact on greenfield areas. As part of the PFS, the Company is re-assessing the mine plan previously proposed for the Copperwood deposit. The Company has retained COREM, a Quebec-based research laboratory, to conduct metallurgical studies of the White Pine North and Copperwood mineralized samples obtained from drill core and channel samples from underground pillars. The main focus of COREM's work is process scheme development. Testing was designed to validate and improve historical performances from the previous White Pine mine operations. Preliminary open tests results are encouraging, having already produced a concentrate grading around 30% Cu at an average 88% Cu recovery. The collector being used has proven very suitable for silver flotation, indicating recoveries greater than 90%.

Golder Associates has been retained to analyze the alternatives for tailings disposal for the projects, particularly at the possibility of a combined facility at the White Pine site. Golder has also been looking at water management issues related to the various tailings disposal scenarios.

MHF Services, an Energy Solutions subsidiary, has conducted trade-off studies on the alternatives for ore transportation from the Copperwood and Keweenaw deposits to the White Pine site, and for the transportation of copper concentrate from a central processing plant at White Pine. The alternatives being contemplated include rail, trucking and barging. Highland has also initiated discussions with utility companies providing electrical power in the region and is currently studying the options of self-generation and connection to the local grid. Itasca Consulting Group of Minneapolis, Minnesota, was retained to act as geo-mechanical consultants to the projects.

Finally, environmental baseline studies have begun for all key areas including groundwater, surface water, wetlands, water balance, meteorological, flora and fauna, and baseline environmental assessments associated with the historical mining area at White Pine.

WHITE PINE NORTH PROJECT

On May 13, 2014 (the interim closing date), the Company entered into an agreement to acquire from Copper Range Company ("CRC"), a subsidiary of First Quantum Minerals Ltd., all of CRC's rights, title and interest in the White Pine site and issued to CRC 3,000,000 of its common shares. 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 one 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 mine site 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 ("MDEQ"). At that time, Highland will assume all of CRC's environmental liabilities related to the White Pine mine site and will also be responsible for all on-going environmental obligations. A number of technical and legally-focused meetings have been held over the last few months. These meetings have included representatives from CRC, the MDEQ and Highland. Final closing is anticipated to occur by December 31, 2015.

CRC acquired the original White Pine mine in 1937. Subsequent drilling revealed the widespread nature of the mineralization and underground mining by room and pillar methods followed by flotation of sulfides began in 1952. Production from 1952 to 1995 was 198,070,985 short tons averaging 1.14% copper for approximately 4.5 billion pounds of copper. In 1995, as a result of depressed copper prices, CRC, then a subsidiary of Inmet Mining Corporation, closed the White Pine mine, although significant amounts of mineralization remained, particularly to the northeast of the mine, referred to as the White Pine North Project. An historical estimate of the White Pine North Project was completed in October 1995 by the then White Pine chief geologist based on 526 diamond drill holes. The Company has initiated the work required to verify the historical data with the objective of completing a resource estimate.

Lease of Mineral Rights

On April 24, 2015, the Company entered into an agreement to lease certain mineral rights located in White Pine, from a private Michigan limited liability corporation that is at arm's length to Highland. The mineral lease is for 20 years, with an option for an additional five years. Payment at closing consisted of US$225,000 in cash and the issuance of 2,164,701 common shares of Highland (the equivalent of an amount of US$400,000 using 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. The leased mineral rights cover an area of approximately 1,816 acres and are located within the White Pine North Project area, but do not belong to the owner of the former White Pine mine.

COPPERWOOD PROJECT

On June 17, 2014, the Company acquired the Copperwood Project through the acquisition from 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 to Orvana a US$7 million promissory note, which amount was reimbursed in full on December 15, 2014 (see *Reimbursement of Note due to Orvana* in *Financing Activities* section). An additional consideration of up to US$5,000,000 may be paid by Highland in cash or shares of Highland, at Orvana's option, of which US$1.25 million will become due 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. 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.

KEWEENAW PROJECT

The Keweenaw Project, which includes the 543S and G-2 deposits, covers an area of approximately 9,000 acres. 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 June 30, 2015, a cumulative amount of US$13,076,171 in eligible expenditures has been spent on the Keweenaw Project but the Company is not in a position to provide a feasibility study by the end of October 2015. To this end, the Company is in discussions with BRP to obtain an extension to the Venture Agreement. However, there is no assurance that an extension can be obtained. If the option is exercised, 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%.

OUTLOOK

Given the Company's limited financial resources and the current copper price environment, the Company has considerably reduced its activities over the last few months. The Company's current focus is to complete the final acquisition of the White Pine project. Based on the progress made to date, the Company strongly feels that CRC should be in a position to transfer to Highland all surface and mining rights associated with the White Pine Project and complete the final closing of the transaction prior to December 31, 2015.

The Company is also reassessing its development plans for its Michigan copper projects with a view of significantly reducing initial capital expenditure requirements and minimizing the payback period. To that end, the Company is considering the impact of developing its projects sequentially through a proposed centralized processing facility to be located at White Pine. Required drilling at this time, if deemed necessary, studies and metallurgical tests required for the completion of a PFS as well as environmental baseline studies will recommence as soon as the Company has raised the required funds.

The funds raised through the October private placement with Osisko (see detail under *Financing Activities* section) should enable the Company to settle all of its current obligations and to finalize the acquisition of the White Pine project. However, the Company requires additional funds to pursue the exploration and developments of its Michigan projects and to provide for management and administration expenses. The Company is continuing discussions with a number of parties to finance the Company's working capital requirements. In light of the current difficult market conditions and their impact on junior exploration companies in general and on copper developers in particular, there can be no assurance that the Company will be able to raise the funds required.

QUALIFIED PERSON

Carlos H. Bertoni, P. Geo., a Qualified Person under NI 43-101, has reviewed and approved all of the technical information in this MD&A. Mr. Bertoni is the Company's executive vice president, project development.

EXPLORATION EXPENSES

Amounts invested in exploration and evaluation assets and capitalized in accordance with the Company's accounting policy, during the years ended June 30, 2015 and 2014 are as follows:

Year ended June 30, 2015	**White Pine North Project**	**Copperwood Project**	**Keweenaw Project**	**Other Properties**	**Total**
	$	**$**	**$**	**$**	**$**
Property payments	**761,541**	**127,313**	**-**	**49,304**	**938,158**
Site preparation, drilling and assaying	**4,027,384**	**35,217**	**1,884**	**-**	**4,064,485**
Labour	**1,780,645**	**220,683**	**141,431**	**-**	**2,142,759**
Studies	**1,459,535**	**171,758**	**16,815**	**-**	**1,648,108**
Finance expense on promissory note	**-**	**583,976**	**-**	**-**	**583,976**
Other expenses	**806,237**	**100,357**	**50,011**	**-**	**956,605**
	8,835,342	**1,239,304**	**210,141**	**49,304**	**10,334,091**
Depreciation and amortization	**200,619**	**6,089**	**62,187**	**-**	**268,895**
Gain on disposal of capital assets	**-**	**(7,774)**	**-**	**-**	**(7,774)**
Share-based remuneration	**-**	**-**	**139,869**	**-**	**139,869**
Accretion on purchase price payable	**-**	**499,325**	**-**	**-**	**499,325**
Effect of foreign exchange	**1,383,146**	**4,168,972**	**2,027,221**	**108,355**	**7,687,694**
	10,419,107	**5,905,916**	**2,439,418**	**157,659**	**18,922,100**

Year ended June 30, 2014	**White Pine North Project**	**Copperwood Project**	**Keweenaw Project**	**Other Properties**	**Total**
	$	**$**	**$**	**$**	**$**
Property payments	2,037,298	24,212,424	270,625	41,811	26,562,158
Site preparation, drilling and assaying	1,784,196	-	796,602	129,009	2,709,807
Labour	825,001	9,877	882,706	63,622	1,781,206
Studies	158,591	6,296	220,470	-	385,357
Finance expense on promissory note	-	36,436	-	-	36,436
Other expenses	274,775	4,267	454,642	(59,171)	674,513
	5,079,861	24,269,300	2,625,045	175,271	32,149,477
Depreciation and amortization	-	934	282,537	2,275	285,746
Share-based remuneration	-	-	101,120	-	101,120
Accretion on purchase price payable	-	18,870	-	-	18,870
Effect of foreign exchange	(51,767)	(390,359)	131,782	4,512	(305,832)
	5,028,094	23,898,745	3,140,484	182,058	32,249,381

SELECTED CONSOLIDATED FINANCIAL INFORMATION [1][2][3]

The following selected financial information should be read in conjunction with the Company's June 30, 2015 and 2014 consolidated financial statements.

	June 30, 2015	June 30, 2014
	$	$
Financial position		
Cash	**1,042,341**	3,242,710
Exploration and evaluation assets	**61,568,034**	42,645,934
Total assets	**62,950,927**	46,536,013
Deposit on sale of royalty	**10,000,000**	-
Promissory note	**-**	7,473,900
Balance of purchase price payable	**2,207,430**	1,434,850
Shareholders' equity	**47,307,629**	35,414,291

	12-months ended June 30, 2015	12-months ended June 30, 2014	13-months ended June 30, 2013
	$	**$**	$
Expenses and other items			
Management and administration expenses	**3,087,579**	1,724,225	2,607,240
Pre-exploration expenses	**81,765**	1,745,437	41,785
Accretion on environmental liability	**17,403**	2,106	-
Finance income	**(10,358)**	(8,664)	(84,744)
Gain on foreign exchange	**(33,595)**	(39,885)	(256,946)
Net loss for the period	**(3,142,794)**	(3,423,219)	(2,307,335)
Basic and diluted loss per share	**(0.03)**	(0.06)	(0.04)
Cash flows			
Operating activities	**(2,772,930)**	(2,166,128)	(1,411,382)
Investing activities	**(8,459,188)**	(21,026,360)	(9,026,316)
Financing activities	**9,238,151**	20,082,935	406,249

1) *The Selected Consolidated Financial Information was derived from the Company's June 30, 2015 and 2014 consolidated financial statements, prepared in accordance with IFRS.*
2) *In August 2012, the Company changed its year-end from May 31 to June 30. Accordingly, the 2013 financial information presented in this MD&A is for a 13-month period ended June 30, 2013.*

Management and administration expenses are summarized as follows:

	12-months ended June 30, 2015	12-months ended June 30, 2014	13-months ended June 30, 2013
	$	$	$
Administrative and general	**1,348,384**	490,781	981,564
Office	**257,624**	116,225	118,659
Professional fees	**459,894**	254,724	56,163
Investor relations and travel	**298,152**	320,140	208,577
Reporting issuer costs	**31,511**	21,433	43,800
	2,395,565	1,203,303	1,408,763
Share-based remuneration	**667,777**	511,202	1,192,529
Depreciation and amortization	**24,237**	9,720	5,948
	3,087,579	1,724,225	2,607,240

Since its incorporation, the Company has not paid any cash dividend on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and any other factor that the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Going concern

The Company's consolidated financial statements have been prepared on the basis of a going concern, 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, including the successful completion of the acquisition of the White Pine project, the acquisition of a 65% interest in the Keweenaw Project and raising additional funds (see *Other Risks and Uncertainties* section). The completion of the acquisition of the White Pine project is dependent on a number of factors, not all of which are under the Company's control, and as such, there is no assurance that the Company will complete the acquisition of the White Pine project. If the acquisition of the White Pine project is not completed by December 31, 2015, the deposit on sale of a royalty of $10,000,000 will become refundable (see *Royalty agreements with Osisko* section). The Company requires additional funds to meet its exploration and development objectives and to provide for management and administration expenses for at least the next 12 months. If the Company is not successful in raising additional funds, it may be required to further delay, reduce the scope of, or eliminate its current or future exploration and development activities, any of which could harm the business, financial condition and results of operation of the Company. The conditions and uncertainties described above indicate the existence of a material uncertainty 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 the Company's consolidated financial statements, adjustments which could be material would be necessary to the carrying value of assets and liabilities, in particular an impairment of exploration and evaluation assets, as well as adjustments to reported expenses.

Financial Review

The Company is in the exploration and development phase and does not yet have revenue-generating activities. Accordingly, the Company's financial performance is largely a function of the level of exploration and development activities undertaken on its projects and the management and administrative expenses required to operate and carry out its activities as well as other items such as foreign exchange gains or losses.

In accordance with its accounting policy, an amount of $18.9 million in exploration and evaluation expenses was capitalized during the year ended June 30, 2015. These expenses include site preparation, drilling and assaying expenses of $4.1 million, labor and overhead expenses of $3.1 million, PFS-related expenses of $1.6 million, finance expense on the Orvana promissory note and balance of purchase price payable of $1.1 million, property payments of $0.9 million, an increase due to foreign exchange of $7.7 million following the weakening of the Canadian dollar during the reporting period and other non-cash expenses of $0.4 million. In 2014, the Company capitalized a total amount of $32.2 million as exploration and evaluation assets, including the cost of acquiring the Copperwood Project ($24.2 million) and the White Pine Project ($2.0 million). The detail of the exploration and evaluation assets by project is presented in the *Exploration expenses* section.

Year ended June 30, 2015 compared to year ended June 30, 2014

The Company incurred a net loss of $3.1 million during the year ended June 30, 2015 compared to a net loss of $3.4 million in 2014. Pre-exploration expenses of $1.7 million incurred at White Pine North in 2014 before the legal right to undertake exploration and evaluation activities had been obtained were partially offset during the current year by higher administrative and general expenses of $1.4 million as a result of the increased activities following the acquisition of the White Pine North Project and the Copperwood Project in May and June 2014 and professional fees incurred in relation to the Royalty Agreements with Osisko described in the *Financing Activities* section. Higher share-based remuneration expense was charged to income in 2015 compared to 2014 due to the grant of 1,905,000 stock options in April 2015 and 1,400,000 stock options in August 2014. At June 30, 2015, an amount of $144,509 of cost remains to be amortized in future periods (until April 2017) related to the grant of stock options.

Year ended June 30, 2014 compared to year ended June 30, 2013

The Company incurred a net loss of $3.4 million during the year ended June 30, 2014 compared to a net loss of $2.3 million during the year ended June 30, 2013. The increased loss in 2014 is due mainly to pre-exploration expenses of $1.7 million (which mainly included preparation work related to the White Pine North Project before the legal right to undertake exploration and evaluation activities had been obtained) compared to $0.1 million in 2013. This increased loss was partially offset by lower management and administration expenses. Lower administrative and general expenses in 2014 (administrative and general expenses in 2013 included signing bonuses of $0.6 million in order to retain the services of the executive chairman and the president and CEO of the Company) and lower share-based remuneration were partially offset by higher professional fees related to the acquisition of the White Pine and Copperwood projects and to higher investor relations and travel expenses due to the increased corporate activities.

During the years ended June 30, 2014 and 2013, share-based remuneration of $0.5 million and $1.2 million, respectively were charged to income and $0.1 million and $0.3 million, respectively were deferred to exploration and evaluation assets. No stock options were granted in 2014 compared to the grant of 4,380,000 stock options in 2013 at a weighted-average fair value of $0.51 per option. At June 30, 2014, an amount of $120,321 of cost remains to be amortized in future periods (until November 2014), related to the grant of stock options.

During the year ended June 30, 2014, the Company accounted for a gain on foreign exchange of $0.1 million, which results mostly from the conversion of cash held by the parent company in US dollars. During the comparative period, the Company accounted for a gain on foreign exchange of $0.3 million.

4th quarter ended June 30, 2015 compared to the 4th quarter ended June 30, 2014

During the 4th quarter ended June 30, 2015, the Company incurred a net loss of $0.5 million ($0.01 per share), compared to a net loss of $0.8 million ($0.01 per share) during the 4th quarter ended June 30, 2014. Management and administration expenses totaled $0.5 million during each of the 4th quarters ended June 30, 2015 and June 30, 2014. Pre-exploration expenses which relate to activities conducted at the White Pine North Project before the legal right to undertake exploration and evaluation activities had been obtained totaled $0.3 million during the 4th quarter ended June 30, 2014 compared to nil during the comparative period in 2015.

Selected Quarterly Financial Information

The following is a summary of the Company's financial results for the past eight quarters:

	Revenues	Net loss	Basic and diluted loss per share
Period ended	$	$	$
June 30, 2015	3,359	(529,381)	(0.01)
March 31, 2015	2,325	(436,823)	(0.00)
December 31, 2014	582	(1,011,470)	(0.01)
September 30, 2014	4,092	(1,165,120)	(0.01)
June 30, 2014	3,303	(846,359)	(0.01)
March 31, 2014	1,279	(1,123,722)	(0.02)
December 31, 2013	1,529	(718,037)	(0.01)
September 30, 2013	2,553	(735,101)	(0.02)

Liquidity and Capital Resources

The Company's working capital deficiency at June 30, 2015 totaled $12.0 million compared to a working capital deficiency of $6.0 million at June 30, 2014. The increase in the working capital deficiency during the year ended June 30, 2015 is mainly attributable to investments made on the Company's exploration and evaluation assets ($10.3 million), management and administration expenses ($2.4 million) and the impact of the weakening Canadian dollar on the repayment of the promissory note to Orvana ($0.7 million), partially offset by the net proceeds of $7.4 million received on the completion of a private placement.

In March 2015, the Company completed in three tranches a non brokered private placement for gross proceeds of $7.6 million. 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 date at an exercise price of $0.50 to acquire one common share. Finder's fees of $0.2 million were incurred in relation to this private placement.

On December 15, 2014, Osisko made a $10.0 million refundable deposit on a 3% sliding-scale NSR royalty on all metals from the White Pine North Project (see details in the *Financing Activities* section). An amount of $8.8 million was used from the proceeds of the Osisko deposit to reimburse the US$7 million promissory note and accrued interest due to Orvana for the acquisition of the Copperwood project. The deposit is secured against all of the Company's assets.

The Company needs to raise additional funds to meet all of its obligations, to pursue exploration and development work on its mineral projects and to provide for management and administration expenses. To this effect, on October 6, 2015, the Company completed a private placement with Osisko and issued 24,426,434 common shares for total gross proceeds of $3.7 million (see detail of this private placement under *Financing Activities* section). However, the Company will require additional funds to meet its exploration and development objectives and to provide for management and administration expenses for at least the next 12 months. The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The potential sources of future funds presently available to the Company are through the sale of equity capital of the Company, debt financing, joint venture or other arrangements. The ability of the Company to arrange the required financing depends in part upon the global economic and capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required for continued operations.

Capital Management

The Company defines capital that it manages as loans (including deposit on sale of royalty, promissory note and balance of purchase price payable) 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. At June 30, 2015, managed capital was $59.5 million ($44.3 million at June 30, 2014). There were no changes in the Company's approach to capital management during the year ended June 30, 2015. The Company is not subject to any externally imposed capital requirements as at June 30, 2015.

Off-Balance Sheet Arrangements

At June 30, 2015, the Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the year ended June 30, 2015, the Company incurred administration expenses of $0.5 million from Reunion Gold Corporation ("Reunion"), a related party by virtue of common management and directors (administration expenses of $0.2 million and the purchase of capital assets of $0.1 million from Reunion in 2014). At June 30, 2015, the Company had an amount due to Reunion of $8,022 (nil at June 30, 2014). These transactions were measured at the exchange amount, which is the amount agreed upon by the transacting parties. The services provided by Reunion under the service agreement include administrative support, corporate and regulatory services, office space, and office equipment and supplies.

Remuneration to directors and key management of the Company totaled $1.7 million during the year ended June 30, 2015, ($1.0 million in 2014).

Outstanding Share Data

At October 15, 2015, the Company has 153,968,626 common shares issued and outstanding, 56,455,373 share purchase warrants exercisable at an average price of $0.68 per share until September 27, 2016, and 7,582,000 stock options outstanding with an average exercise price of $0.49, expiring at various dates until April 2020.

Significant Accounting Policies

Exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred. Once the legal right to undertake exploration and evaluation activities has been obtained, all option and lease payments, costs of acquiring mineral rights and expenses related to the exploration and evaluation of mining properties are capitalized as exploration and evaluation assets. Expenses related to exploration and evaluation which are capitalized include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are carried at cost less any accumulated impairment losses. No depreciation expense is recognized for these assets during the exploration and evaluation phase. Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts with the difference recognized in profit or loss. When the technical feasibility and the commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred as tangible assets and related development expenditures are capitalized. Before the reclassification, the related exploration and evaluation assets are tested for impairment and any impairment loss is then recognized in profit or loss. Borrowing costs directly attributable to the acquisition of exploration and evaluation assets are added to the cost of the project until such time as the assets are substantially ready for their intended use or sale, which in the case of mining properties, is when they are capable of commercial production.

Impairment of non-financial assets

At the end of each reporting date, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Factors which could trigger an impairment review include, but are not limited to, the expiration of the right to explore in the specific area during the period or said right will expire in the near future and is not expected to be renewed; substantive expenditures in a specific area are neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale due to significant negative industry or economic trends and a significant drop in commodity prices. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Value in use takes into account estimated future cash flows associated with the asset, such value being discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In the case of exploration and evaluation assets, impairment reviews are carried out on a property-by-property basis, with each property representing a potential cash-generating unit. A previous impairment is reversed if the asset's recoverable amount exceeds its carrying amount.

Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the related asset, as soon as the obligation to incur such costs arises and to the extent that such cost can be reasonably estimated.

Significant accounting judgements and estimates

The preparation of the Company's consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The Company's consolidated financial statements include estimates which, by their nature, are uncertain and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, judgments and assumptions are recognized in the period in which the estimate is revised and future period if the revision affects both current and future period. These estimates, judgments and assumptions are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to the following:

a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures are subject to certain assumptions and do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The final closing of the acquisition of the White Pine Project will be completed once the Company has i) released Copper Range Company ("CRC") of 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 ("MDEQ"). The Company has determined that there is no indication that it will not be able to meet these conditions. However, meeting these conditions is dependent on a number of factors, not all of which are under the Company's control, and there is no assurance that they will be met.

Because the Company is not in a position to provide a feasibility study on the Keweenaw Project by October 26, 2015, the Company must negotiate an amendment to the agreement with BRP LLC ("BRP") in order to maintain its option to acquire a 65% interest in the Keweenaw Project. The Company is in discussions with BRP to this effect and an amended agreement is being drafted. The Company believes that it will be able to come to terms with BRP on an amended option agreement, but not all factors are under the Company's control. There is therefore uncertainty that an amended agreement with BRP will be completed.

b) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test in the year the new information becomes available. The Company has determined that there are currently no indicators of impairment.

c) Environmental liability

The Company's accounting policy for the recognition of environmental liability requires significant estimates and assumptions such as the requirements of the relevant legal and regulatory framework, the magnitude of possible disturbance, the timing, extent, and costs of closure and rehabilitation activities and the determination of an appropriate discount factor. Changes to these estimates and assumptions may result in future actual expenditures differing from the amounts currently provided for. The environmental liability is periodically reviewed and updated based on the available facts and circumstances.

New Accounting Pronouncements

Certain pronouncements issued by the IASB or the IFRS Interpretations Committee are mandatory for accounting periods beginning on or after January 1, 2014. These include IAS 32, Financial Instruments - presentation; IFRIC 21, Levies; and IAS 36, Impairment of Assets. The Company has adopted these new standards, amendments and interpretations effective July 1, 2014 but they have had no significant impact on its financial information.

Accounting Standards Issued but not yet Applied

Standards, amendments and interpretations issued but not yet effective up to the date of the issuance of these consolidated financial statements that are expected to be relevant to the Company are listed below. Certain other standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

Business combination accounting for interest in a joint operation (Amendments to IFRS 11)

On May 6, 2014, the IASB issued *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)***.** The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business.

IFRS 9, Financial Instruments

In November 2009 and October 2010, the IASB issued the first phase of IFRS 9, *Financial Instruments*. In November 2013, the IASB issued a new general hedge accounting standard, which forms part of IFRS 9. The final version of IFRS 9 was issued in July 2014 and includes a third measurement category for financial assets (fair value through other comprehensive income) and a single, forward-looking 'expected loss' impairment model. IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has three classification categories: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets or liability. It also introduces limited changes relating to financial liabilities and aligns hedge accounting more closely with risk management. The new standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management is currently reviewing the impact that this standard will have on its consolidated financial statements.

FINANCIAL RISK FACTORS

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include liquidity risk, currency risk, credit risk and interest rate risk. Where material, these risks are reviewed by the board of directors.

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 continued operations through future financings (see '*Financial Condition*' section).

The following table summarizes the contractual maturities of the Company's financial liabilities at June 30, 2015:

	Carrying amount	Settlement amount	Within 1 year	2-3 years	Over 3 years
	$	$	$	$	$
Accounts payable and accrued liabilities	3,146,097	3,146,097	3,146,097	-	-
Due to a related party	8,022	8,022	8,022	-	-
Deposit on sale of royalty	10,000,000	10,000,000	10,000,000	-	-
Balance of purchase price payable	2,207,430	3,122,500	-	3,122,500	-
	15,361,549	16,276,619	13,154,119	3,122,500	-

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 currency in which these transactions are denominated are primarily the Canadian and the US dollar. The consolidated entity seeks to minimise its exposure to currency risk by monitoring exchange rates and entering into foreign currency transactions that maximize the consolidated entity's position. The consolidated entity does not presently enter into hedging arrangements to hedge its currency risk. All foreign currency transactions are entered into at spot rates. The board of directors considers this policy appropriate, taking into account the consolidated entity's size, current stage of operations, financial position and the board's approach to risk management. At June 30, 2015, assets and liabilities denominated in a foreign currency consisted of cash of $0.1 million and accounts payable and accrued liabilities of $0.7 million. The impact on profit or loss of a 10% increase or decrease in foreign currencies against the Canadian dollar would be approximately $58,000.

Credit Risk

At June 30, 2015, the Company's financial assets exposed to credit risk are primarily composed of cash. To mitigate exposure to credit risk, the Company has established a policy to ensure counterparties demonstrate minimum acceptable credit worthiness, and to ensure liquidity of available funds. The Company's cash is held with large financial institutions, with most of the Company's cash held with a Canadian-based financial institution.

Interest Rate Risk

The Company's interest rate risk relates to cash. The Company's current policy on its cash balances is to invest excess cash in guaranteed investment certificates or interest bearing accounts with major Canadian-based chartered banks. The Company regularly monitors compliance to its cash management policy. Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would affect profit or loss by approximately $10,000.

OTHER RISKS AND UNCERTAINTIES

The Company is subject to a number of significant risks and uncertainties which include but are not limited to the nature of its business and the present stage of exploration and development of its mineral projects, the requirement for additional funds to settle its obligations and commitments, and to pursue its planned exploration and development activities on all of its projects. Failure to successfully address such risks and uncertainties could have a significant negative impact on the Company's overall operations and financial condition and could materially affect the value of the Company's assets and future operating results. Therefore, an investment in the securities of the Company involves significant risks and should be considered speculative. The risks and uncertainties described herein are not necessarily the only ones that the Company could be facing. The Company cannot give assurance that it will successfully address these risks or other unknown risks that may affect its business. Readers should carefully consider the risks and uncertainties described below.

Company Specific Risks

- The Company may be unable to continue funding the exploration and development of its projects and achieve its business objectives and milestones.
- The Company may be unable to complete the acquisition of the White Pine Project if it cannot meet the final closing conditions. This would force the Company to refund the $10 million deposit on sale of a royalty to Osisko and would negatively impact the Company's business plan.
- The Company's plans and objectives as well as its ability to raise funds may be affected by copper prices. The price of copper has recently declined to a six-year low.
- The Company is subject to environmental risks related to the fact that the White Pine Project is subject to a consent decree and, as part of the acquisition of White Pine, the Company will have to assume certain environmental responsibilities related to the closure of the former White Pine Mine.
- The Company will not complete a feasibility study on the Keweenaw Project by October 26, 2015 as a condition to acquire a 65% interest in the Keweenaw Project; discussions to obtain an extension to the agreement with the owner of the Keweenaw Project have been held, however, there is no assurance that an extension can be obtained.
- The Company is taking steps to verify title with respect to its most material mineral properties. Although the Company believes that title to its mineral properties are in good standing there is no guarantee that title to such properties will not be challenged or impugned.
- The Company's mineral resource estimates are not mineral reserves. There is no assurance that minerals will be discovered in sufficient quantities to justify commercial operations and that the Company will be able to demonstrate the economic viability of its deposits.
- The Company may not obtain all necessary permits to conduct its activities and operate a mine.
- Future issuance of common shares into the public market may result in dilution to the existing shareholders.
- The Company faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources.
- The Company has no history of earnings and does not expect to receive revenues from operations in the foreseeable future.
- Certain directors and senior officers of the Company also serve as officers and/or directors of other mineral resource companies, which may give rise to conflicts.

Industry Risks

- Mineral exploration and development is a high risk, speculative business. Few properties that are explored are ultimately developed into producing mines.
- Mineral exploration is subject to geological uncertainties and interpretation.
- Mineral exploration is subject to numerous industry operating and environmental hazards and risks, many of which are beyond the Company's control.
- Substantial expenditures are required to explore mineral projects, define mineral resources, and complete all metallurgical, engineering, environmental, financial and other studies required to complete a feasibility study.

- Changes in mining and environmental laws.
- Necessary permits to operate may not be granted or may be granted later than anticipated.
- Current economic uncertainties globally have created market volatility and risk aversion among investors, limiting capital raising options.
- Commodity prices including the price of copper have fluctuated widely in the past and are expected to continue to do so in the future.
- Mining operations including exploration and development activities are subject to numerous laws and regulations.
- Title to mineral rights and surface rights may be disputed.
- Social and environmental groups may be opposed to the development of mining projects.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by the forward-looking information.

Specifically, this MD&A contains forward-looking information regarding the Company's plans going forward including plans to raise additional funds to pursue the Company's activities and to meet its current obligations, plans to complete the acquisition of the White Pine Project and of a 65% interest in the Keweenaw Project, plans to complete technical studies, additional drilling programs and resource estimates, and plans to have a centralized processing facility at White Pine. Other forward looking information in this MD&A includes, but is not limited to, forward-looking information with respect to the requirement for additional capital and other statements relating to the financial and business prospects of the Company.

There can be no assurance that the Company will be successful in its efforts to complete its plans and achieve its objectives and that such forward-looking information will prove to be accurate. Actual results could differ materially from those currently anticipated due to any number of factors, including the inability of the Company to secure the funds necessary to meet its plans and obligations, the inability to complete a resource estimate and technical studies, the conclusions of such studies, and other variables such as lower than expected grades and quantities of resources, changes in demand for and prices of copper, mining rates and recovery rates, legislative, environmental and other regulatory approval or political changes, delays in obtaining or failures to obtain required governmental, environmental or other approvals and sufficient financing, changes in exchange rates, and other factors.

Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, except as may be required by law.

Cautionary Note to U.S. Investors Concerning Resource Estimates

The resource estimates in this MD&A were prepared in accordance with NI 43-101 adopted by the Canadian Securities Administrators and it contains the terms "measured", "indicated" and "inferred" resources. Although these terms are recognized and required in Canada, the U.S. Securities and Exchange Commission ("SEC") does not recognize them. The SEC permits US mining companies, in their filings with the SEC, to disclose only those mineral deposits that constitute "reserves". Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally extracted at the time the determination is made. United States investors should not assume that all or any portion of a measured or indicated resource will ever be converted into "reserves". Further, "inferred resources" have a great amount of uncertainty as to their existence and whether they can be mined economically or legally, and United States investors should not assume that "inferred resources" exist or can be legally or economically mined, or that they will ever be upgraded to a higher category.

Additional Information and Continuous Disclosure

This MD&A has been prepared as at October 15, 2015. Additional information on the Company is available through regular filings of press releases, financial statements and MD&A on SEDAR (www.sedar.com) and on the Company's website (www.highlandcopper.com).