

HIGHLAND CRITICAL MINERALS CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING TO BE HELD ON NOVEMBER 21, 2025

AND

MANAGEMENT INFORMATION CIRCULAR

Dated as of October 27, 2025

**HIGHLAND CRITICAL MINERALS CORP.
1 Adelaide St. East, Suite 801
Toronto, Ontario, Canada, M5C 2V9**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the "**Meeting**") of the shareholders of Highland Critical Minerals Corp. (the "**Company**" or "**Highland**") will be held at 801-1 Adelaide St. East, Toronto, ON on November 21, 2025, at 1:00 p.m. (Toronto time).

At the Meeting, the shareholders of Highland (the "**Shareholders**") will consider resolutions, for the following purposes:

1. to receive and consider the report of the directors and the financial statements of the Company, together with the auditors' report thereon, for the fiscal years ended September 30, 2024;
2. to appoint MNP LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to fix the remuneration to be paid to the auditor;
3. to consider and, if thought advisable, approve with or without variation, an ordinary resolution to fix the number of directors of the Company at three;
4. to elect the directors of the Company to hold office until the next annual meeting of the Company, or until their earlier resignation or such time as their successors are duly elected or appointed;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of Shareholders approving the Company's existing restricted share unit plan;
6. to consider, and, if thought advisable, to pass, with or without variation, an ordinary resolution of the majority of the Shareholders to authorize and approve the Company's existing stock option plan;
7. to consider and, if thought advisable, to pass with or without variation, a special resolution (the "**Arrangement Resolution**") approving an arrangement (the "**Arrangement**") under section 288 of the *Business Corporations Act* (British Columbia) (the "**Act**") among the Company, its securityholders and Highland Red Lake Gold Corp. ("**Highland Red Lake**"), pursuant to which the Company and securityholders of Highland will receive securities in the capital of Highland Red Lake; and
8. to transact such further or other business as may properly come before the Meeting and any adjournment(s) thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the accompanying management information circular dated October 27, 2025 (the "**Circular**"). The audited consolidated financial statements and related MD&A for the Company for the fiscal year ended September 30, 2024, are available upon request to the Company and they can be found on the Company's SEDAR+ profile at www.sedarplus.ca.

This notice is accompanied by the Circular, a form of proxy and a supplemental mailing list return card.

The board of directors of the Company (the "**Board**") has by resolution fixed the close of business on September 22, 2025, as the record date, being the date for the determination of the registered holders of Class A Common Shares of the Company (the "**Highland Shares**") entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Shareholders are encouraged to vote on the matters BEFORE the Meeting by proxy to ensure that their votes are properly counted. Those Shareholders who are unable to attend the Meeting are requested to read the notes to the enclosed form of proxy and then to, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Circular accompanying this notice.

Shareholders who are registered will be able to attend, participate and vote at the Meeting or may be represented by proxy.

A registered holder of Highland Shares wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his / her / their / its duly completed and executed form of proxy with the Company's registrar and transfer agent, **Integral Transfer Agency Inc., located at 600 Annette St., Toronto, Ontario, M6S 2C4**, on November 19, 2025, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed.

Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

AND TAKE NOTICE that dissenting Shareholders in respect of the proposed Arrangement are entitled to be paid the payout value of their shares in accordance with section 238 of the Act. Pursuant to the Interim Order (as defined in the Circular) of the Supreme Court of British Columbia dated October 27, 2025 and the Act, a registered holder of Highland Shares of the Company may until 10:00 a.m. (Vancouver Time)/1:00 p.m. (Eastern Time) on the day which is two days immediately preceding the date of the Meeting give the Company a notice of dissent in the manner provided for in the Interim Order with respect to the Arrangement Resolution. As a result of giving a notice of dissent, a Shareholder may, on receiving a notice of implementation of the Arrangement Resolution, require the Company to purchase all of the Highland Shares held by such Shareholder in respect of which the notice of dissent was given. These dissent rights are described in the Circular.

Notice-and-Access

This year, the Company has elected to use for the Meeting the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (together with NI 54-101, the “**Notice-and-Access Provisions**”) of the Canadian Securities Administrators (the “**CSA**”). The Notice-and-Access Provisions are a set of rules developed by the CSA that reduce the volume of materials that must be physically mailed to the Shareholders by allowing the Company to post its Circular and any additional materials online. Shareholders who would like more information about the Notice-and-Access Provisions may contact the Company's transfer agent, Integral Transfer Agency Inc., at 1 (647)-417-8173 or over e-mail at support@excelsiorsolutions.biz. Please see the section entitled “**Notice-and-Access**” in the accompanying Circular.

The Circular and all additional materials have been posted under the Company's SEDAR+ profile at www.sedarplus.ca and www.highlandcritical.com. All Shareholders of record as of the Record Date, will receive a notice and access notification containing instructions on how to access the Circular and all additional materials.

Shareholders are reminded to carefully review the Circular and any additional materials prior to voting on the matters being transacted at the Meeting. Copies of: (i) this Notice of Meeting; (ii) the Circular; (iii) the Form of Proxy or VIF; and (iv) the Financial Statements and accompanying management discussion and analysis, may be obtained free of charge by emailing support@excelsiorsolutions.biz, or by calling 1-416-623-8028 outside of North America. In order to ensure that a paper copy of the Circular and additional materials can be delivered to a Shareholder in time for such Shareholder to review the Circular and return a Form of Proxy (or a VIF) prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than November 3, 2025.

If you are not a Registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

Electronic Delivery of Materials

You can receive future mailings of Highland Critical Minerals Corp. ELECTRONICALLY

How does that benefit you?

- Vote Electronically in future shareholder meetings
- Receive Updates
- Access your account at Integral Transfer Agency online

Send an email to: support@integraltransfer.com and include your name and physical address

DATED at Toronto, Ontario this 27th day of October, 2025.

BY ORDER OF THE BOARD

(Signed) "Brian Morales"

Brian Morales
Director

Capitalized terms hereinafter used are defined in the Glossary of Terms.

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GENERAL DISCLOSURE INFORMATION

No person has been authorized by the Company to give any information or make any representations in connection with the Arrangement herein described other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by Highland or Highland Red Lake, as applicable.

References to "management" in this Circular mean the executive officers of Highland. Any statements in this Circular made by or on behalf of management are made in such persons' capacities as officers of the Company, and not in their personal capacities.

A Shareholder should rely only on the information contained in this Circular and should not rely on certain parts of this Circular to the exclusion of others. The information contained in this Circular is accurate only as of the date of this Circular, regardless of the time of delivery of this Circular.

This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Circular and the documents incorporated into this Circular by reference contain forward-looking statements and forward-looking information (collectively, "**forward looking statements**") within the meaning of applicable Canadian and U.S. securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements with respect to the Arrangement, the covenants of Highland, the timing for the implementation of the Arrangement and the potential benefits of the Arrangement, the likelihood of the Arrangement being completed, principal steps of the Arrangement, the timing of future activities of and developments related to, Highland and Highland Red Lake, Highland's and Highland Red Lake's anticipated business plans, Shareholder approval of the Arrangement, regulatory approval of the Arrangement, participation of the Shareholders in the Red Lake Option Agreement, ability of Highland Red Lake to develop the Red Lake Gold Camp, the liquidity of Highland Shares and Highland Red Lake Shares following the Effective Time, costs and timing of exploration and development and capital expenditures related thereto, planned exploration activities, success of exploration activities, estimated exploration budgets, market position, financial and business prospects and financial outlooks of Highland and Highland Red Lake are forward-looking statements.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements, which include statements relating to, among other things, the ability of Highland or Highland Red Lake to continue to successfully compete in the market.

These forward-looking statements are based on the beliefs of Highland's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things: the satisfaction of all terms and conditions of the Arrangement, including approval of the Arrangement's fairness by the Court; receipt of all required governmental and regulatory approvals and consents; the ability to obtain necessary financing on reasonable terms; the accuracy of Highland's and Highland Red Lake's exploration budgets and work programs; the ability to attract and retain key personnel and consultants; the stability of the political, regulatory, and economic environment in which Highland and Highland Red Lake operate; the availability of equipment and contractors for exploration activities; the accuracy of technical and

geological data and interpretations; the ability to maintain title and access to mineral properties; the continued availability of capital markets for equity financing; absence of material adverse changes in commodity prices, market conditions, or regulatory requirements.

By their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Highland or Highland Red Lake to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation: the Arrangement Agreement may be terminated in certain circumstances, general business, economic, competitive, political, regulatory and social uncertainties, gold price volatility, uncertainty related to mineral exploration properties, risks related to the ability to finance the continued exploration of mineral properties, risks related to Highland and Highland Red Lake not having any proven or provable mineral reserves, history of losses of Highland and expectation of future losses for Highland and Highland Red Lake, risks related to factors beyond the control of Highland or Highland Red Lake, limited business history of Highland Red Lake, risks and uncertainties associated with exploration and mining operations, risks related to the ability to obtain adequate financing for planned development activities, lack of infrastructure at mineral exploration properties, risks and uncertainties relating to the interpretation of drill results and the geology, grade and continuity of mineral deposits, uncertainties related to title to mineral properties and the acquisition of surface rights, risks related to governmental regulations, including environmental laws and regulations and liability and obtaining permits and licences, future changes to environmental laws and regulations, unknown environmental risks for past activities, commodity price fluctuations, risks related to reclamation activities on mineral properties, risks related to political instability and unexpected regulatory change, currency fluctuations and risks associated with a fixed exchange ratio, influence of third party stakeholders, conflicts of interest, risks related to dependence on key individuals, risks related to the involvement of some of the directors and officers of Highland and Highland Red Lake with other natural resource companies, enforceability of claims, the ability to maintain adequate control over financial reporting, risks related to the Highland Shares and Highland Red Lake Shares, including price volatility due to events that may or may not be within such parties' control, disruptions or changes in the credit or security markets, risks related to joint venture operations, actual results of current exploration activities, reserve and resource estimate risk, actual results of current reclamation activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, changes in labour costs or other costs of production, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, the ability to renew existing licenses or permits or obtain required licenses and permits, mining operational and development risk, litigation risks, speculative nature of gold exploration, risks relating to the possibility that such number of Shareholders may exercise their dissent rights so as to cause the Board to believe that completion of the Arrangement would not be in the best interests of Highland, risks related to instability in the global economic climate, and community and non-governmental actions and regulatory risks.

This list is not exhaustive of the factors that may affect any of forward-looking statements of Highland Red Lake and Highland. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Circular generally and certain economic and business factors, some of which may be beyond the control of Highland and Highland Red Lake. Some of the important risks and uncertainties that could affect forward-looking statements are described further below under the heading "*Particulars of Other Matters to be Acted Upon - The Arrangement – Arrangement Risk Factors*" and in Schedule "I" to this Circular under the heading "*Information Concerning Highland Red Lake — Risk Factors*".

Certain of the forward-looking statements and forward-looking information and other information contained herein concerning the mining industry and Highland's general expectations concerning the mining industry, Highland, and Highland Red Lake, are based on estimates prepared by Highland or Highland Red Lake using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Highland believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, these data are inherently imprecise. While Highland is not aware of any misstatement regarding any industry data presented herein, the mining industry involves risks and uncertainties that are subject to change based on various factors.

All forward-looking information attributable to Highland or Highland Red Lake, or persons acting on their behalf, is expressly qualified in their entirety by the cautionary statements set forth above. Readers of this Circular are cautioned not to place undue reliance on the forward-looking information contained in this Circular which reflect the analysis of the management of the Highland and Highland Red Lake, as applicable, as of the date of this Circular. Neither Highland nor Highland Red Lake undertakes any obligation to update forward-looking information except as required by applicable securities laws.

At the Meeting, you will be asked to consider and, if deemed advisable, approve the Arrangement Resolution, the full text of which is reproduced in Schedule "C" – "*Arrangement Resolution*" of this Circular in respect of the Arrangement.

DATE OF INFORMATION

Information contained in this Information Circular is as of October 27, 2025, unless otherwise indicated.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The historical financial statements of Highland and Highland Red Lake contained in this Information Circular are reported in Canadian dollars and have been prepared in accordance with IFRS. All references to dollar amounts in this Information Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

GLOSSARY OF TERMS

For the purposes of this section, the following terms shall have the meanings ascribed thereto:

"2nd Option" has the meaning ascribed thereto under *"Arrangement Resolution – Background to the Arrangement"*;

"ACB" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada – Alterations to Share Structure and Articles of the Company and Re-Designation of the Highland Shares"*;

"Act" or **"BCBCA"** means *Business Corporations Act*, S.B.C. 2004, c. 57, as amended;

"allowable capital loss" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses"*;

"Arrangement Agreement" means the arrangement agreement between Highland and Highland Red Lake dated August 19, 2025, including the Exhibits and the Appendices thereto as the same may be supplemented or amended from time to time;

"Arrangement Provisions" means Part 9, Division 5 of the Act;

"Arrangement Resolution" means the resolution to be approved by the Shareholders, substantially in the form and content set out in Schedule "C" – *"Arrangement Resolution"* to this Circular;

"Arrangement" means an arrangement under the provisions of Section 288 of the Act, on the terms and conditions set forth in the Plan of Arrangement;

"Audit Committee" has the meaning ascribed thereto under *"Audit Committee"*;

"Auditor Resolution" has the meaning ascribed thereto under *"Particular of Matters to be Acted Upon – Auditor Appointment"*;

"Beneficial Shareholder" means a Highland Shareholder who is not a Registered Shareholder;

"Board" means the board of directors of Highland;

"Business Day" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

"CEO" means the Chief Executive Officer;

"CFO" means the Chief Financial Officer;

"Circular" means Highland's management information circular dated October 27, 2025 and all schedules attached hereto;

"Convention" the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Not Resident in Canada - Taxation of Dividends"*;

"Court" means the Supreme Court of British Columbia;

"CRA" means the Canada Revenue Agency;

"Church Property" means the Company's Church property, comprised of 261 mineral claims, located in Northwestern Ontario, approximately 16 kilometres west northwest of Nipigon, Ontario;

"CSE" means the Canadian Securities Exchange;

"Depository" means Integral Transfer Agency Inc.;

"Director" means a director of Highland;

"Distribution Record Date" means the close of business on August 26, 2025, for the purpose of determining holders of Highland Shares, Highland RSUs, and Highland Warrants entitled to receive, as applicable, New Highland Shares, Highland Replacement RSUs, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, and Highland Red Lake RSUs, or such other date as the Board may select;

"Dissent Procedures" means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the Act and Article 4 of the Plan of Arrangement;

"Dissent Rights" means the rights of dissent granted in favour of registered holders of Highland Shares in accordance with Article 4 of the Plan of Arrangement;

"Dissenting Non-Resident Holder" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Not Resident in Canada – Dissenting Non-Resident Holders"*;

"Dissenting Resident Holder" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada – Dissenting Shareholders"*;

"Dissenting Share" has the meaning ascribed thereto under *"Particulars of Other Matters to be Acted Upon – The Arrangement – Steps in the Arrangement"*;

"Dissenting Shareholder" means a registered holder of Highland Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"Effective Date" means the date upon which the Arrangement becomes effective in accordance with the Plan of Arrangement and the Final Order, as the board of directors of Highland may determine;

"Effective Time" means 12:01 a.m. on the Effective Date or such other time on the Effective Date as agreed to in writing by Highland or Red Lake;

"Exchanged Securities" has the meaning ascribed thereto under *"Particulars of Other Matters to be Acted Upon – The Arrangement – U.S. Securities Laws and Resale of Securities"*;

"Final Order" means the final order of the Court approving the Arrangement;

"forward looking statements" has the meaning ascribed thereto under *"Cautionary Note Regarding Forward-Looking Statements"*;

"Highland Red Lake Shares" means the Class A Common Voting Shares without par value in the capital of Highland Red Lake;

"Highland Red Lake Spinout Shares" means the 15,635,416 Highland Red Lake Shares (or such other amount determined by the board of directors of Highland Red Lake) issued or to be issued to Highland prior to the Effective Time, such shares to be distributed to the holders of Highland Shares, Highland Red Lake Warrants and Highland Red Lake RSUs pursuant to the Plan of Arrangement;

"Highland Red Lake" means Highland Red Lake Gold Corp., a company existing under the laws of the Province of British Columbia and a wholly owned subsidiary of Highland;

"Highland Replacement RSU" means a restricted share unit to be issued to a holder of a Highland RSU pursuant to the Plan of Arrangement;

"**Highland RSUs**" means the restricted share units to acquire Highland Shares in accordance with the Highland restricted share unit plan, that are outstanding immediately prior to the Effective Time;

"**Highland Shareholders**" or "**Shareholders**" means the holders of Highland Shares;

"**Highland Shares**" or "**Shares**" means the Class A Common Shares without par value in the capital of Highland;

"**Highland Warrant Certificates**" means the certificates representing the Highland Warrants;

"**Highland Warrants**" means the share purchase warrants of Highland exercisable to acquire Highland Shares that are outstanding immediately prior to the Effective Time;

"**Highland**" or "**Company**" means Highland Critical Minerals Corp.;

"**Highland Red Lake RSUs**" means restricted share units governed pursuant to Highland Red Lake's restricted share unit plan;

"**Highland Red Lake Warrants**" means the 15,635,416 share purchase warrants of Highland Red Lake exercisable to acquire Highland Red Lake Shares, each of which shall give its holder the right to acquire one additional Highland Red Lake Share at a price of \$0.15 for five years;

"**Holder**" has the meaning ascribed thereto under "*Principal Canadian Federal Income Tax Consequences*";

"**Interim Order**" means the interim order of the Court approving the Meeting to approve the Arrangement;

"**Intermediary**" has the meaning ascribed thereto under "*Beneficial Shareholders*";

"**Initial Option**" has the meaning ascribed thereto under "*Arrangement Resolution – Background to the Arrangement*";

"**Management Proxyholders**" has the meaning ascribed thereto under "*Appointment of Proxyholder*";

"**Meeting**" means the annual and general special meeting of Shareholders, including any adjournment or postponement thereof, to be held on November 21, 2025, for the purposes of, among other things, obtaining the Shareholder approval of the Arrangement;

"**MLI**" has the meaning ascribed thereto under "*Principal Canadian Federal Income Tax Consequences – Holders Not Resident in Canada - Exchange of Old Highland Shares for New Highland Shares and Red Lake Shares*";

"**Named Executive Officer**" or "**NEO**" has the meaning ascribed thereto under "*Executive Compensation*";

"**New Highland Shares**" has the meaning ascribed thereto under "*Particulars of Other Matters to be Acted Upon – The Arrangement – Steps in the Arrangement*";

"**NI 52-110**" has the meaning ascribed thereto under "*Corporate Governance Disclosure – Board of Directors*";

"**NI 58-101**" has the meaning ascribed thereto under "*Corporate Governance Disclosure*";

"**NOBO**" has the meaning ascribed thereto under "*Beneficial Shareholders*";

"**Non-Resident Holder**" has the meaning ascribed thereto under "*Principal Canadian Federal Income Tax Consequences – Holders Not Resident in Canada*";

"**Notice of Meeting**" means the notice of meeting to be sent to Shareholders, in connection with the Meeting;

"**NSR**" has the meaning ascribed thereto under "*Arrangement Resolution – Background to the Arrangement*";

"**OBO**" has the meaning ascribed thereto under *"Beneficial Shareholders"*;

"**Old Highland Shares**" has the meaning ascribed thereto under *"Particulars of Other Matters to be Acted Upon – The Arrangement – Steps in the Arrangement"*;

"**Optionor**" has the meaning ascribed thereto under *"Arrangement Resolution – Background to the Arrangement"*;

"**Option Plan**" means the stock option plan of Highland dated January 31, 2024 as updated and amended from time to time;

"**party**" means either Highland or Red Lake and "**parties**" means, collectively, Highland and Red Lake;

"**Plan of Arrangement**" means the plan of arrangement attached as Exhibit 1 to the Arrangement Agreement and any amendment or variation thereto made in accordance thereof;

"**PUC**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Exchange of Old Highland Shares for New Highland Shares and Red Lake Shares"*;

"**Qualifying Expenditures**" has the meaning ascribed thereto under *"Arrangement Resolution – Background to the Arrangement"*;

"**RDSP**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Eligibility for Investment – New Highland Shares and Red Lake Shares"*;

"**Record Date**" has the meaning ascribed thereto under *"Voting Securities and Principal Holders Thereof"*;

"**Red Lake Options**" has the meaning ascribed thereto under *"Arrangement Resolution – Background to the Arrangement"*;

"**Registered Shareholder**" means a registered holder of Highland Shares;

"**Registered Plans**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Eligibility for Investment – New Highland Shares and Red Lake Shares"*;

"**Resident Holder**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada"*;

"**RESP**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Eligibility for Investment – New Highland Shares and Red Lake Shares"*;

"**RRIF**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Eligibility for Investment – New Highland Shares and Red Lake Shares"*;

"**RRSP**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Eligibility for Investment – New Highland Shares and Red Lake Shares"*;

"**RSU**" has the meaning ascribed thereto under *"Particulars of Other Matters to be Acted Upon – Approval of RSU Plan"*;

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval Plus;

"**Share Exchange**" has the meaning ascribed thereto under *"Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Exchange of Old Highland Shares for New Highland Shares and Red Lake Shares"*;

"**Subject Securities**" has the meaning ascribed thereto under "*Principal Canadian Federal Income Tax Consequences*";

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Tax Proposals**" has the meaning ascribed thereto under "*Principal Canadian Federal Income Tax Consequences*";

"**taxable capital gain**" has the meaning ascribed thereto under "*Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*";

"**TFSA**" has the meaning ascribed thereto under "*Principal Canadian Federal Income Tax Consequences – Holders Resident in Canada - Eligibility for Investment – New Highland Shares and Red Lake Shares*";

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*; and

"**U.S. Securities Act**" means the *United States Securities Act of 1933*.

"**Red Lake Gold Camp**" means 3,366 hectares of mining claims located in the Red Lake Gold District of Ontario;

"**Red Lake Option Agreement**" means the property option agreement effective July 10, 2025 that Highland Red Lake entered into with a third party, whereby the third party granted Highland Red Lake the exclusive right to earn a 100% interest in mining claims on the Red Lake Gold Camp as well as a secondary option to earn a 100% interest in an adjacent 3,090-hectare property;

"**RSU Plan**" means Highland's restricted share unit plan dated June 4, 2025, as amended from time to time;

"**Sy Property**" means the 4 contiguous mineral claims in Nunavut, being a total of 3,345 hectares, approximately 870 kilometers east of Yellowknife, Northwest Territories and 300 kilometers south of Rankin Inlet, Nunavut, in northern Canada located in the Kivalliq Region;

"**Transaction Shares**" means an aggregate of 2,750,000 Highland Red Lake Shares that Highland Red Lake shall issue to Highland at a deemed price of \$0.02 per Highland Red Lake Share as partial consideration for substantially organizing and funding the Arrangement; and

"**Transfer Agent**" means Integral Transfer Agency.

SUMMARY OF CIRCULAR

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, including the Appendices which form part this Circular. Capitalized terms used in this Summary are defined in the Glossary of Terms immediately preceding this summary.

The Meeting

The Meeting will be held in Toronto, Ontario on November 21, 2025, at 1:00 PM (Toronto time) for the purposes set forth in the Notice of Meeting. At the Meeting, Highland Shareholders will attend to certain annual business, including to: (i) receive and consider the report of the directors and the financial statements of the Company, together with the auditor's report thereon, for the fiscal year ended September 30, 2024; (ii) to appoint MNP LLP, Chartered Professional Accountants as auditors of the Company; (iii) to fix the number of directors at three; (iv) to elect directors of the Company; (v) to approve the existing RSU Plan; (vi) to approve the existing Option Plan; and (vii) to approve the Arrangement Resolution. See "*Particulars of Other Matters to be Acted Upon*".

The Arrangement

The purpose of the Arrangement and the related transactions is to reorganize Highland into two separate companies:

1. Highland, which will be primarily focused on the exploration and development of the Church Property and the Sy Property located in Northern Ontario and Nunavut, respectively; and
2. Highland Red Lake, which will be primarily focused on the mining claim blocks in the northwestern extension of the Red Lake Gold District, comprising approximately 3,366 hectares as well as an adjacent 3,090-hectare property, pursuant to the Highland Red Lake Option Agreement.

The Arrangement would result in, among other things, participating securityholders of Highland receiving, immediately following completion of the Arrangement, New Highland Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Warrants, Highland Replacement RSUs and Highland Red Lake RSUs, as applicable, in proportion to each Highland securityholders security holdings at the time of the Arrangement.

On the Effective Date, the following will occur in order, without further act or formality:

Share Capital Amendments

- (a) All issued and unissued Highland Shares are renamed and redesignated as "Pre-Arrangement Common Shares" and amended to provide two votes per share.
- (b) A new class of shares consisting of an unlimited number of "Class A Common Shares" is created, with terms and special rights and restrictions identical to the original Highland Shares immediately prior to the Effective Time (the "**New Highland Shares**").

RSU Exchange

Each Highland RSU outstanding as of the Distribution Record Date is exchanged for:

- (a) One Highland Replacement RSU (to acquire one New Highland Share, with same vesting and terms as the original Highland RSU).
- (b) One Highland Red Lake RSU (to acquire 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant). If the Highland RSU has already been exchanged for the underlying Pre-Arrangement Common Shares before the Effective Date, the holder receives only one Highland Red Lake RSU to acquire 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant in respect of each Highland RSU so held.

Warrant Amendment

Each Highland Warrant outstanding as of the Distribution Record Date is amended so that, upon exercise for the original price, the holder receives:

- (a) One New Highland Share for each Pre-Arrangement Common Share previously issuable.
- (b) 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant for each Pre-Arrangement Common Share previously issuable.

If exercised before the Effective Date, the holder receives only the Highland Red Lake entitlements.

Share Exchange

Each issued and outstanding Pre-Arrangement Common Share is exchanged for:

- (a) One New Highland Share.
- (b) 0.5 of a Highland Red Lake Spinout Share.
- (c) 0.5 of a Highland Red Lake Warrant.

The holders of the Pre-Arrangement Common Shares will be removed from the central securities register of Highland as the holders of such and will be added to the central securities register of Highland as the holders of the number of New Highland Shares that they have received.

Cancellation of Old Shares

Pre-Arrangement Common Shares are cancelled and removed from Highland's authorized share structure. The paid-up capital of New Highland Shares is adjusted to reflect the value of Highland Red Lake Spinout Shares distributed.

Fractional Shares/Warrants

No fractional Highland Red Lake Spinout Shares or Highland Red Lake Warrants are distributed; all fractions are rounded down, and any remainder is retained by Highland.

Dissent Rights

Registered Shareholders exercising dissent rights transfer their Pre-Arrangement Common Shares to Highland and are entitled to be paid fair value, subject to applicable tax withholdings.

Certificates and Registration

After the Effective Date, Highland Red Lake delivers share and RSU certificates to entitled holders via the Transfer Agent.

Withholding Rights

Highland, Highland Red Lake, and the Transfer Agent may deduct and withhold taxes from any payments or distributions as required by law.

See "*Particulars of Other Matters to be Acted Upon – The Arrangement – Steps in the Arrangement*" for further information.

Recommendation of the Board

The Board, having reviewed the Plan of Arrangement and related transactions and considered, among other things, the reasons for the Arrangement, has unanimously determined that the Arrangement is in the best interests of Highland and the Highland Shareholders. The Board recommends that Highland Shareholders vote FOR the Arrangement Resolution.

See further details under the section entitled "*Particulars of Other Matters to be Acted Upon – The Arrangement – Recommendation of the Board*".

Conditions to the Arrangement

Completion of the Arrangement is subject to a number of specified mutual conditions being met as of the Effective Time, including, but not limited to:

- (a) the Interim Order and Final Order shall have been obtained from the Court on terms acceptable to each of Highland and Highland Red Lake and shall not have been set aside or modified in a manner unacceptable to any of the parties, on appeal or otherwise;
- (b) receipt by Highland and Highland Red Lake of all required approvals including approval by Highland Shareholders of the Arrangement at the Meeting; approval by the respective boards of directors; approval of the CSE of the Arrangement, including the listing of the New Highland Shares issuable under the Arrangement in substitution for the Old Highland Shares and the delisting of the Old Highland Shares, subject only to compliance with the usual conditions of that approval; and approval of the Arrangement by the Court;
- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement or the Plan of Arrangement;
- (d) none of the consents, orders, regulations or approvals contemplated by the Arrangement Agreement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties hereto, acting reasonably;
- (e) no adverse material change shall have occurred in the business, affairs, financial condition or operations of Highland or Highland Red Lake which would have a material adverse effect on the business, assets, financial condition or results of operations of Highland or Highland Red Lake and any subsidiary, taken as a whole;
- (f) the Arrangement Agreement shall not have been previously terminated; and
- (g) the obligation of each party to complete the Arrangement is subject to the further condition that the covenants of the other party shall have been duly performed;

which conditions may be mutually waived by Highland and Highland Red Lake in whole or in part at any time. See further details under "*Particulars of Other Matters to be Acted Upon – The Arrangement – The Arrangement Agreement – Conditions to the Arrangement*".

Court Approval

An arrangement under the Act requires approval of the Court. Prior to mailing this Circular, Highland obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other procedural matters. A copy of the Interim Order is attached as Schedule "E" – "*Interim Order*."

Subject to the approval of the Arrangement Resolution by Highland Shareholders at the Meeting, the hearing for the Final Order is currently scheduled to take place on November 28, 2025, at 9:45 a.m. (Vancouver time) at the courthouse at 800 Smithe Street, Vancouver, British Columbia. At the hearing, any Highland securityholder wishes to participate or be represented or present arguments or evidence may do so by serving a response to petition in compliance with the Interim Order.

See further details under *"Particulars of Other Matters to be Acted Upon – The Arrangement – The Arrangement Agreement – Court Approval of the Arrangement"*.

Regulatory Approvals

The Highland Shares are listed and posted for trading on the CSE. **The Arrangement is subject to the acceptance of the CSE and Highland will not proceed with the Arrangement if regulatory acceptance or approval is not obtained.**

Highland Following the Arrangement

Following completion of the Arrangement, Highland will continue its current business as a mineral exploration company. The New Highland Shares will trade on the CSE under the symbol "HLND".

Highland Red Lake Following the Arrangement

Following the Arrangement, upon completion of the Arrangement, Highland Red Lake will be a reporting issuer in British Columbia, Alberta and Ontario. Highland Red Lake will continue exploring the properties underlying the Red Lake Options and operate in accordance with the Highland Red Lake Option Agreement.

For a detailed description of Highland Red Lake following the completion of the Arrangement, see Schedule "I" – *"Information Regarding Highland Red Lake."*

Canadian Securities Laws and Resale of Securities

Highland Red Lake will be a reporting issuer in British Columbia, Alberta and Ontario on completion of the Arrangement.

The issuance of the Highland Red Lake Shares to Shareholders, Highland Replacement RSUs, Highland Warrants, and Highland Red Lake RSUs to Highland RSU holders pursuant to the Arrangement will constitute a distribution of securities which is exempt from the registration and prospectus requirements of Canadian securities legislation. The Highland Red Lake Shares received by Shareholders pursuant to the Arrangement may be resold in each of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined in National Instrument 45-102 – *Resale of Securities*; (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that sale; and (iv) if the selling securityholder is an insider or officer of Highland Red Lake, the selling securityholder has no reasonable grounds to believe that Highland Red Lake is in default of securities legislation.

See further details under *"Particulars of Other Matters to be Acted Upon – The Arrangement – Canadian Securities Laws and Resale of Securities"*.

U.S. Securities Laws and Resale of Securities

None of the securities to be received by Highland securityholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable state securities laws, and are being issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, and similar exemptions from registration under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on October 27, 2025, and, subject to the approval of the Arrangement by the Shareholders, a hearing on the Arrangement will be held on November 28, 2025, at 9:45 a.m. (Vancouver Time). All of Highland's securityholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10)

thereof and comparable state securities laws with respect to the Exchanged Securities. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. Notice and the right to appear at the fairness hearing were provided per the Interim Order, and the Final Order text will expressly reference the fairness finding.

The New Highland Shares and the Highland Red Lake Spinout Shares will be freely tradable under U.S. federal Securities laws, except by persons who are "affiliates" of Highland or Highland Red Lake, as applicable, within 90 days prior to completion of the Arrangement or "affiliates" of Highland or Highland Red Lake, as applicable, following completion of the Arrangement. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal Shareholders of the issuer.

See further details under *"Particulars of Other Matters to be Acted Upon – B. The Arrangement – U.S. Securities Laws and Resale of Securities"*.

Significant Positions and Shareholdings

In considering the recommendation of the Board with respect to the Arrangement, Shareholders should be aware that certain members of Highland's senior management and the Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement.

See further details under *"Particulars of Other Matters to be Acted Upon – B. The Arrangement – Significant Positions and Shareholdings"*.

Risk Factors

Shareholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of New Highland Shares and Highland Red Lake Shares following the completion of the Arrangement. Shareholders should carefully consider the risks identified in this Circular under the heading *"Particulars of Other Matters to be Acted Upon – B. The Arrangement – Arrangement Risk Factors"* and under Schedule "I" – *"Information Concerning Highland Red Lake – Risk Factors"* before deciding whether or not to approve the Arrangement Resolution.

Dissent Rights

Registered Highland Shareholders are entitled to exercise Dissent Rights by providing written notice to the Company no later than 1:00 p.m. (Eastern time) / 10:00 a.m. (Pacific time) on November 19, 2025, or two Business Days immediately preceding any date to which the Meeting may be postponed or adjourned in the manner described under the heading *"Dissent Rights"*. If a Highland Shareholder exercises Dissent Rights in strict compliance with the Dissent Procedures (attached as Schedule "G" – *"Dissent Provisions"* hereto) and Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the fair value of the Highland Shares with respect to which the Dissent Rights were exercised, calculated as of the close of business the day before the approval of the Arrangement Resolution. Highland Shareholders should carefully read the section of this Circular entitled *"Dissent Rights"* and consult with their advisors if they wish to exercise Dissent Rights.

Certain Canadian Income Tax Considerations

A summary of certain Canadian federal income tax considerations for Highland Shareholders who participate in the Arrangement is set out under the heading *"Particulars of Other Matters to be Acted Upon – B. The Arrangement – Principal Canadian Federal Income Tax Consequences"*.

Highland Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Financial Statements of Highland and Highland Red Lake

The audited financial statements of Highland for the year ending September 30, 2024 are available on Highland's

SEDAR+ profile. The financial statements of Highland Red Lake are attached to this Circular as Schedule “D” – “*Highland Red Lake Financial Statements.*”

HIGHLAND CRITICAL MINERALS CORP.
1 Adelaide St. East, Suite 801,
Toronto, Ontario, M5C 2V9 405 – 375 Water St. Vancouver, BC V6B 5C6

INFORMATION CIRCULAR

Highland Critical Minerals Corp. (the "**Company**") is providing this Information Circular (the "**Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the Annual General and Special Meeting (the "**Meeting**") of Shareholders of the Company (the "**Shareholders**") to be held at 801-1 Adelaide St. East Toronto, ON at 1:00 p.m. (Toronto time) / 10:00 a.m. (Vancouver time) on November 21, 2025, and at any adjournment(s) or postponement(s) thereof. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

NOTICE-AND-ACCESS

The Company has elected to deliver the materials in respect of the Meeting pursuant to the notice-and-access provisions (the "**Notice-and-Access Provisions**") concerning the delivery of proxy-related materials to Shareholders, found 9.1(1) of National Instrument 51-102 – *Continuous Disclosure Obligations*, in the case of registered Shareholders ("**Registered Shareholders**"), and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), in the case of Shareholders who do not hold Shares in their own name ("**Beneficial Shareholders**"). The Notice-and-Access Provisions are a set of rules that reduce the volume of proxy-related materials that must be physically mailed to Shareholders by allowing issuers to deliver meeting materials to Shareholders electronically by providing Shareholders with access to these materials online.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Company. In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting this Circular and other related materials electronically on a website that is not SEDAR+ the Company must send the accompanying notice of meeting ("**Notice of Meeting**") to Shareholders, including Beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Company.

In accordance with the Notice-and-Access Provisions, the Notice of Meeting and the Form of Proxy or voting instruction form (the "**VIF**"), as applicable, have been sent to all Shareholders informing them that this Circular, the Notice of Meeting, annual audited consolidated financial statements of the Company for the year ended September 30, 2024 (the "**Annual Financial Statements**") and management's discussion and analysis of the Company's results of operations and financial condition for the year ended September 30, 2024 (the "**MD&A**") are available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. The Circular, the Notice of Meeting, Annual Financial Statements and MD&A have been posted in under the Company's SEDAR+ profile at www.sedarplus.ca.

Shareholders who would like more information about the Notice-and-Access Provisions should review the "Notice-and-Access" section included in this Circular or may contact the Transfer Agent at: support@excelsiorsolutions.biz up to and including the date of the Meeting, including any adjournment thereof.

The Company will deliver copies of the proxy-related materials to the Intermediaries for onward distribution to the NOBOs (as defined herein). The Company will assume costs for the Intermediaries to deliver to OBOs (as defined herein) the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101.

Any Shareholder who wishes to receive a paper copy of this Circular free of charge must contact the Transfer Agent

and provide your Voter ID, or you may electronically submit a request by emailing support@excelsiorsolutions.biz up to the date of the Meeting or any adjournment thereof, or thereafter by contacting MTCL, c/o support@excelsiorsolutions.biz at 600 Annette St., Toronto, Ontario, M6S 2C4. In order to ensure that paper copies of the materials can be delivered to a requesting Shareholder in time for such Shareholder to review materials and return Form of Proxy or VIF prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than November 3, 2025.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

VOTING BY PROXY

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted for or against or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. As at the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

A proxy will not be valid unless the completed, dated and signed proxy is received by Integral Transfer Agency Inc., located at 600 Annette St., Toronto, Ontario, M6S 2C4 by 1:00 p.m. (Toronto time) / 10:00 a.m. (Vancouver time) on November 19, 2025, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed.

Late proxies may be accepted or rejected by the Chairman of the Meeting at their discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

REVOCABILITY OF PROXY

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the Company, and delivered either to the Company, at 1 Adelaide St. East, Suite 801, Toronto, Ontario, M5C 2V9, Canada at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you are a Beneficial Shareholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to revoke your voting instructions.

BENEFICIAL SHAREHOLDERS

Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders of Highland Shares whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are Beneficial Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. The Highland Shares beneficially owned by a Beneficial Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRI's, RESPs and similar plans), or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Intermediaries are required to forward the Meeting materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting materials to Beneficial Shareholders. Generally, Beneficial Shareholders who have not waived the right to receive Meeting materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow, or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the

Beneficial Shareholder when submitting the proxy. In this case, the Beneficial Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it in accordance with the instructions under "Completion and Return of Proxy" above.

In either case, the purpose of these procedures is to permit Beneficial Shareholders to direct the voting of their Shares which they beneficially own. Should a Beneficial Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Beneficial Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

In accordance with applicable Securities Laws requirements, the Company has elected to send the Meeting materials to NOBOs. If you are a NOBO, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary on your behalf. The Company does not intend to pay for Intermediaries to forward the Meeting materials, including proxies or voting information forms, to OBOs and therefore an OBO will not receive the materials with respect to the Meeting unless that OBO's Intermediary assumes the cost of delivery.

The Company is not sending the Meeting materials to Shareholders using "notice-and-access" as defined under NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of: (i) Highland Shares; (ii) Class B Common Shares; (iii) Class C Common Shares; (iv) Class D Preferred Shares; and (v) Class E Preferred Shares, each without par value, of which 20,023,332 Highland Shares were issued and outstanding as at September 22, 2025, (the "**Record Date**"). Persons who are registered Shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Highland Share held. The Company has only one class of shares outstanding, being the Highland Shares.

Under the Company's articles, the quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, Shareholders entitled to vote at the meeting who hold, in the aggregate, at least 5% of the issued shares entitled to be voted at the meeting.

To the knowledge of the Board and management of the Company, no person beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to all shares of the Company.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

The audited financial statements of the Company for the fiscal year ended September 30, 2024, and the auditors' report thereon will be tabled before the Shareholders at the Meeting. The audited financial statements have been approved by the audit committee and the Board. The financial statements can also be found under the Company's profile on SEDAR+ at www.sedarplus.ca. No vote by the Shareholders is required to be taken with respect to the financial statements.

STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Company in connection with their office or employment with the Company is made in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**"). Disclosure is required to be made in relation to "**Named Executive Officers**" (as defined below).

For the purposes of this Form, a "**Named Executive Officer**" or "**NEO**" means:

- (i) the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and each individual who acted in such capacity (or a similar capacity) for all or any part of the most recently completed financial year;
- (ii) the most highly compensated executive officers, or the most highly compensated individual acting in a similar capacity (other than those identified in paragraph (i)), as at the end of the most recently completed financial year, whose total compensation was, individually, more than \$150,000 for that financial year; and
- (iii) any individual who would have been an NEO under paragraph (ii) but for the fact that the individual was not an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

During the financial year ended September 30, 2025, the Company had two individuals who were NEOs, namely Edward Yew, President & Chief Executive Officer, and Brian Morales, Chief Financial Officer.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company and its subsidiaries, excluding compensation securities, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded,

granted, given or otherwise provided to the NEO or director for service provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof, for the periods indicated:

| Table of compensation excluding compensation securities | | | | | | | |
|--|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| Edward Yew <i>Chief Executive Officer</i> | 2025 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2024 | Nil | Nil | Nil | Nil | Nil | Nil |
| Brian Morales <i>Chief Financial Officer & Director</i> | 2025 | 18,000 | Nil | Nil | Nil | Nil | 18,000 |
| | 2024 | Nil | Nil | Nil | Nil | Nil | Nil |
| Sophie Galper Komet <i>Director</i> | 2025 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2024 | Nil | Nil | Nil | Nil | Nil | Nil |
| Yazeed Esnan <i>Director</i> | 2025 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2024 | Nil | Nil | Nil | Nil | Nil | Nil |

Stock Options and Other Compensation Securities

The only compensation securities granted to the NEOs or directors during the financial year ended September 30, 2025, are disclosed below:

| Compensation Securities | | | | | | | |
|--|-------------------------------|---|------------------------|--|--|---|--------------|
| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
| Edward Yew <i>Chief Executive Officer</i> | Highland RSUs | 50,000 Highland RSUs, convertible into 50,000 Highland Shares (0.25%) | June 4, 2025 | N/A | N/A | N/A | June 4, 2027 |
| Brian Morales <i>Chief Financial Officer & Director</i> | Highland RSUs | 50,000 Highland RSUs, convertible into 50,000 | June 4, 2025 | N/A | N/A | N/A | June 4, 2027 |

| | | | | | | | |
|---|------------------|---|-----------------|-----|-----|-----|-----------------|
| | | Highland Shares (0.25%) | | | | | |
| Sophie Galper Komet <i>Director</i> | Highland RSUs | 75,000 Highland RSUs, convertible into 75,000 Highland Shares (0.3%) | June 4, 2025 | N/A | N/A | N/A | June 4, 2027 |
| Yazeed Esnan <i>Director</i> | Highland RSUs | 75,000 Highland RSUs, convertible into 75,000 Highland Shares (0.3%) | June 4, 2025 | N/A | N/A | N/A | June 4, 2027 |

Notes:

(1) Represents the percentage of the issued and outstanding Highland Shares as at September 30, 2025 being 20,023,332 Shares.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised or redeemed any compensation securities during the Company's financial year ended September 30, 2025.

Stock option plans and other incentive plans

RSU Plan

The Board adopted the RSU Plan on June 4, 2025, to provide directors, officers, employees and consultants with incentives through the opportunity to receive bonuses in the form of restricted share units. The RSU Plan is summarized below, which is qualified by the full text of the RSU Plan, attached to this Circular as Schedule "A" – "RSU Plan."

Administration

The RSU Plan shall be administered by the Board, which will have the full and final authority to provide for the granting, vesting, settlement and the method of settlement of RSUs granted thereunder. RSUs may be granted to directors, officers, employees or consultants of the Company, as the Board may from time to time designate. The Board has the right to delegate the administration and operation of the RSU Plan to a committee and/or any member of the Board.

Shares reserved for issuance

Subject to adjustment as provided for in the RSU Plan, the aggregate number of Highland Shares which will be available for issuance under the RSU Plan will not, when combined with Shares reserved for issuance pursuant to other share compensation arrangements (including the Option Plan) exceed 20% of the number of Shares which are issued and outstanding on the particular date of grant. The RSU Plan is a "rolling plan" and any RSUs that expire or otherwise terminate for any reason without having been exercised in full, the number of Highland Shares in respect of such expired or terminated RSU shall again be available for the purposes of granting RSUs pursuant to the RSU Plan.

Granting, Settlement and Expiry of RSUs

Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board. Upon vesting, subject to the provisions of the RSU Plan, the RSU holder may settle its RSUs during the settlement period applicable to such RSUs, provided that no expiry date or any vesting date is a date that is more than three years from the grant date of the

RSUs. Where, prior to the expiry date, an RSU holder fails to elect to settle an RSU, the holder shall be deemed to have elected to settle such RSUs on the day immediately preceding the expiry date. Upon settlement, the RSU holder is entitled to receive one Highland Share for each vested RSU or, at the sole option of Highland, a cash payment equal to the number of vested RSUs multiplied by the market price of Highland Shares on the settlement date.

Additional Features

- **Dividends:** Participants may receive additional RSUs equivalent to dividends paid on Highland Shares which vest and settle alongside the original RSUs.
- **Termination of Service:** Unvested RSUs generally terminate upon cessation of service, except in cases of death, disability, retirement, or other specified circumstances.
- **Change of Control:** The Board may accelerate vesting or terminate RSUs in connection with a change of control event.

Option Plan

The Board adopted the Option Plan on January 30, 2024, to provide directors, officers, employees and consultants with incentives through the opportunity to receive bonuses in the form of stock options. The Option Plan is summarized below, which is qualified by the full text of the Option Plan, attached to this Circular as Schedule “B” – “*Option Plan.*”

Administration

The Option Plan is administered by a committee of the Board, or by the Board itself if no committee is appointed. The committee has broad authority to oversee the administration of the plan, determine eligibility, set the terms of option grants—including the number of shares, exercise price, vesting schedule, and expiry date—and to interpret and amend the plan as necessary.

Shares reserved for issuance

Under the Option Plan, options may be granted from time to time at the discretion of the committee to eligible executives, employees, and consultants. Each option entitles the holder to purchase Highland Shares at a price not less than the market value of the Highland Shares on the grant date, as determined by the committee in accordance with the Option Plan’s provisions. The aggregate number of Highland Shares available for purchase under the Option Plan, together with any other outstanding incentive options, will not exceed 10% of Highland’s issued and outstanding Highland Shares at any time. If any option expires or terminates without being exercised, the shares underlying such options become available for future grants under the plan.

The plan sets out specific limits on option grants to persons engaged in investor relations activities, restricting such grants to no more than 1% of the outstanding shares in any 12-month period. Additional limits apply to grants to related persons, and Shareholder approval is required if certain thresholds are exceeded, in accordance with applicable securities regulations. Options are non-transferable except in limited circumstances such as death or disability, in which case the personal representative of the option holder may exercise the options within specified timeframes.

Granting, Vesting, and Expiry of Options

The terms and conditions of each option grant, including the vesting schedule and expiry date, are set out in an option certificate provided to the option holder. Options may be exercised by delivering a notice of exercise and payment of the aggregate exercise price to the company prior to the expiry date. Upon exercise, the company will issue the appropriate number of shares to the option holder. Until shares are issued, option holders do not have rights as Shareholders, such as voting or receiving dividends. The Option Plan also provides for adjustments in the event of changes to the company’s capital structure, such as share consolidations or splits, and outlines procedures for the termination or suspension of the plan.

The Option Plan is subject to all applicable laws and regulatory approvals, and may be amended or terminated by the committee, subject to any required Shareholder or regulatory consent.

Employment, consulting and management agreements

No director or NEO has entered into an employment, consulting, or management agreement with the Company.

Oversight and description of director and named executive officer compensation

The Board does not have a compensation committee. Compensation is comprised of three primary elements: (i) base salaries; (ii) equity; and (iii) performance bonuses.

Elements of Compensation

The Company's compensation arrangements for its directors and officers, may, in addition to salary, include compensation in the form of bonuses upon the achievement of certain milestones and the granting of awards. The compensation policy of the Company may be re-evaluated in the future to emphasize increased base salaries and/or cash bonuses, depending upon the future development of the Company and other factors which may be considered relevant by the Board, from time to time.

Base Salaries

Highland believes that performance-based compensation plans are an important element in the compensation packages for Highland's officers, and that long-term equity interests, in the form of options, restricted share units, or other awards. This compensation strategy is similar to the strategies of many other companies in Highland's peer group.

Equity-Based Compensation

The Board adopted the Option Plan and RSU Plan, which enables the Company to: (i) promote and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Company, (ii) to offer such persons incentives to put forth maximum efforts, and (iii) to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and Shareholders.

Directors are entitled to receive Awards in accordance with the terms of the Option Plan and RSU Plan, as applicable and will be reimbursed for any out-of-pocket travel expenses incurred to attend meetings of the Board, committees of the Board or meetings of the Shareholders of the Company. The Company also has customary insurance for the benefit of its directors and indemnifies the directors pursuant to its By-Laws.

Performance Bonuses

Annual bonuses will be awarded based on qualitative and quantitative performance standards and will reward performance of each NEO individually. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in the Company's industry and may be based on measures such as stock price performance, the meeting of financial targets against budget, the meeting of acquisition objectives and balance sheet performance.

Compensation and Measurement of Performance

When determining compensation policies and individual compensation levels for the Company's executive officers, a variety of factors are considered including: the overall financial and operating performance of the Company; each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparable. The Board seeks to ensure that, at all times, its compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director or officer of the Company.

The Board does not use fixed criteria in determining the mix of compensation and instead determines compensation based on a contextual analysis of the Company. While the Board does not have a formally established peer group in determining

compensation, the Board will on occasion reference other comparable publicly traded Canadian companies to align its compensation practices with market practice while taking into account the financial and other resources of the Company.

The Company's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Company and its Shareholders through stock related programs.

Pension Disclosure

The Company does not have and does not intend to implement a pension plan for its directors or NEOs.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year ended September 30, 2024:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) |
|--|--|--|---|
| (a) | (b) | (c) | |
| Equity compensation plans approved by security holders | N/A | N/A | N/A |
| Equity compensation plans not approved by security holders | 2,002,333 | N/A | 1,702,333 |
| TOTAL | 2,002,333 | N/A | 1,702,333 |

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the Record Date, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company which is owing to the Company or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company, or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No (a) director or executive officer of the Company who has held such position at any time since the beginning of the Company's last financial year; (b) person by or on behalf of management of the Company; (c) proposed nominee for election as director of the Company; or (d) associate or affiliate of any of the persons or companies listed in (a) to (c) have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, other than the approval of the RSU Plan, approval of the Option Plan, and the approval of the Arrangement.

Shareholders should be aware that certain members of the Company's senior management and the Board have certain interests in connection with the Arrangement (as defined and described under "*Particulars of Matters to be Acted Upon – Arrangement Resolution*") in that may present them with actual or potential conflicts of interest in connection with the Arrangement. See in this Circular below under the heading "*Particulars of Matters to be Acted Upon- Arrangement Resolution – Significant Positions and Shareholdings.*"

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in National Instrument 51-102 - *Continuous Disclosure*) or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and, therefore, these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), approving and monitoring the Company's significant policies and procedures, including with respect to communications with investors and the financial community, and the integrity of the Company's internal control and management information systems.

As at the date of this Circular, the Board is comprised of three (3) directors, of which two (2) are "independent", as defined by National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Accordingly, the Board is comprised of a majority of independent members. A director is "independent" if the director has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of applicable securities laws.

The current independent members of the Board are Yazeed Esnan and Sophie Galper-Komet. Brian Morales is not independent as he is the Chief Financial Officer of the Company.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The independent directors hold in camera meetings without the non-independent directors and management present.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Company's business.

At this time, the Board of Directors does not have a Chairman. In the absence of a Chairman and accordance with the articles of the Company, the President of the Company is responsible for presiding over all meetings of the directors and Shareholders. The independent directors have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and therefore, do not require the guidance of an independent Chairman of the Board in exercising their duties as directors.

Descriptions of Roles

The Board of Directors has not established specific written descriptions of the positions of the Chief Executive Officer or Chair of any of the committees of the Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary and would not improve the function and performance of the Board, Chief Executive Officer or any committee. The role of Committee Chair is delineated by the nature of the overall responsibilities of that committee.

Participation of Directors in Other Reporting Issuers

The following table sets out the directors of the Company who are currently directors of other reporting issuers:

| Name | Reporting Issuer and Stock Exchange | Position | Term |
|---------------------|--|---|--------------------------|
| Brian Morales | Waverly Resources Ltd., Unlisted | Chief Financial Officer | September 2011 – Present |
| | Talmine Resources Ltd., Unlisted | Director | June 2021 – March 2024 |
| | Woodbridge Resources Ltd., Unlisted | Director | June 2021 – Present |
| | Tiger International Resources Inc., Unlisted | Director | November 2024 – Present |
| | Kingsview Minerals Ltd., CSE | Director, Chief Financial Officer & Corporate Secretary | February 2025 – Present |
| Yazeed Esnan | Free Battery Metal Limited, CSE | Director | December 2024 – Present |
| | Wesana Health Holdings Inc., CSE | Director | February 2021 – May 2021 |
| | Metaville Labs Inc., Unlisted | Director | June 2020 – Present |
| Sophie Galper-Komet | Kingsview Minerals Ltd. | Director | February 2025 – Present |
| | Impact Development Group Inc. | Director | November 2023 – Present |
| | Stickit Technologies Inc. | Chief Financial Officer | October 2023 – Present |
| | SuperBuzz Inc. | Director | November 2020 – Present |

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

- (a) information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies,
- (b) access to recent and historical, publicly filed documents of the Company, management reports and

the Company's internal financial information, and

- (c) access to management, technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below. The Company's Audit Committee Charter is attached as Schedule "H" – *Audit Committee Charter* hereto.

Overview

The primary function of the audit committee (the "**Audit Committee**") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee is also mandated to review and approve all related party transactions which may be entered into by the Company.

The Audit Committee's Charter

The Company has adopted a Charter for the Audit Committee which sets out the committee's mandate, organization, powers and responsibilities, a copy of which is attached hereto as Schedule "H" – "*Audit Committee Charter*."

Composition of the Audit Committee

The following are the members of the Audit Committee:

| | | |
|-----------------------------|--------------------------------|-------------------------------------|
| Sophie Galper-Komet (Chair) | Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |
| Yazeed Esnan | Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |
| Brian Morales | Not Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |

Notes:

- (1) As defined by NI 52-110.

Relevant Education and Experience

In addition to each member's general business experience set out directly below, each of the Audit Committee members has the ability to read and understand financial statements and have held director and/or officer positions with other reporting issuers in the mineral exploration and mining sector where they have been actively involved in

financing and fundraising activities.

Brian Morales – CFO & Director (Age 47)

Mr. Morales is a CPA, CA and has served as Chief Financial Officer and Corporate Secretary of several publicly listed mining exploration and development and financial technology companies. His principal and primary occupation is being a finance consultant, corporate director, and officer. He has consulted for companies in a variety of industries, focusing on operational finance, financings and various go-public strategies. Most recently he served as a director of Yubba Capital Corp. until its completion of its qualifying transaction and he continues to serve as a director of several reporting issuers. He has been involved with taking companies public on various exchanges including markets in Canada, the US and in England. Mr. Morales has had an over twenty-year finance career beginning his career with Ernst & Young LLP and has held finance positions of increasing seniority and complexity including as an equity research analyst with Credit Suisse.

Yazeed Esnan – Director (Age 29)

Mr. Esnan is a designated Chartered Financial Analyst and currently works as an analyst at Whether Growth LP, a venture capital fund focused on early-stage companies. Previously, Mr. Esnan worked as an associate at First Republic Capital Corp. after graduating from Dalhousie University with a Bachelor of Commerce in Finance in 2017. Mr. Esnan has acquired ample experience in equity financings and RTO transactions to take companies public. Mr. Esnan also previously worked with several private and public companies through the Cooperative Education program at Dalhousie University.

Sophie Galper-Komet - Director (Age 50)

Sophie Galper-Komet is a seasoned and highly motivated executive, financial expert and strategy consultant, with broad experience in the corporate, public, and start-up arenas. Sophie possesses over 20 years of experience working in various capacities in the capital markets and private equity sectors, and has expertise in developing diverse funding solutions for corporations, including initial public offerings, bond offerings, mergers and acquisitions and private equity solutions. Ms. Galper-Komet has been intimately involved with several mature and public companies as well as high-tech start-up ventures. Since the beginning of 2019, Ms. Galper-Komet has served as Chief Operating Officer of a private real estate investment company. Prior to this role, she served as the principal and owner of Business Scope International, a private consultancy firm focused on corporate strategy, funding solutions, business development, investment relations, and corporate governance services for an array of corporate clients. In addition, Ms. Galper-Komet's experience and past activities range from financial research through investor relations to business development and investment banking in a variety of industries. She has served on the board of directors of numerous public companies and financial institutions, both on the TSX and Tel Aviv Stock exchanges, including serving several stints as the chair of several board committees. Ms. Galper-Komet is a current director of the Company. In addition to the foregoing, Ms. Galper-Komet has served on the advisory boards of numerous technology companies.

Throughout her career, Ms. Galper-Komet has served on the boards of 14 publicly traded companies and financial institutions. In her capacity as a C-suite executive, investment banker, and financial analyst, she has been actively involved in numerous corporate valuations and market value appraisals in accordance with International Financial Reporting Standards (IFRS). With over 20 years of experience working with IFRS disclosure standards in both Israel and Canada, she brings a deep understanding of global financial reporting and governance practices.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-

110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Company by the Company's external auditor.

External Auditor Service Fees

The following table sets out the fees paid by the Company to its auditors during the past two financial years:

| <i>Financial Year Ending</i> | <i>Audit Fees⁽¹⁾</i> | <i>Audit Related Fees</i> | <i>Tax Fees</i> | <i>All Other Fees⁽²⁾</i> |
|---|--|--------------------------------------|------------------------|--|
| September 30, 2024 | \$10,000 ⁽⁵⁾ | Nil | Nil | \$5,000 |
| September 30, 2023 | Nil | Nil | Nil | Nil |

Notes:

(1) The aggregate fees billed by the Company's auditor for audit fees.

(2) The aggregate fees billed for professional services other than those listed in the other three columns relate to a review engagement as part of the Company's prospectus.

Venture Issuer Exemption

Since the Company is a "venture issuer" it relies on the exemption contained in Section 6.1 of NI 52-110 (*Venture Issuers*) from the requirements of Part 5 (*Reporting Obligations*) of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Company's Annual Information Form, if any, and this Circular).

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

A. AUDITOR APPOINTMENT

At the Meeting, Shareholders will be asked to approve the appointment of MNP LLP, Chartered Professional Accountants, of 50 Burnhamthorpe Road West, Mississauga, Ontario, L5B3C2, as auditor of the Company to hold office until the next annual general meeting of the Shareholders, or until their successors are duly appointed, at a remuneration to be fixed by the Board (the "**Auditor Resolution**").

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy FOR the Auditor Resolution. If you do not specify how you want your Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Auditor Resolution.

The Board unanimously recommends that Shareholders vote FOR the Auditor Resolution at the Meeting.

B. FIXING THE NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution fixing the number of directors of the Company at three.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Shares represented by such form of Proxy FOR the resolution fixing the number of directors at three. If you do not specify how you want your Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the resolution fixing the number of directors at three.

The Board unanimously recommends that Shareholders vote FOR the resolution at the Meeting.

C. ELECTION OF DIRECTORS

At the Meeting, Shareholders will be asked to elect Brian Morales, Sophie Galper-Komet, and (iii) Yazeed Esnan (collectively, the “**Board Nominees**”). Shareholders have the option to (i) vote for all of the directors of the Company listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. Unless expressly directed to the contrary in the proxy, the persons named in the enclosed proxy intend to vote FOR the election of each of the three proposed nominees whose names appear below as directors or proposed directors of the Company.

Management of the Company does not contemplate that any of the Board Nominees will be unable to serve as a director. Each director will hold office until the next annual meeting of the Shareholders, or his or her successor is duly elected unless his or her office is earlier vacated in accordance with applicable laws and the articles and by-laws of the Company.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote FOR the appointment of the Nominees. If you do not specify how you want your Shares to be voted at the Meeting, the persons designated as proxyholders in the accompanying form of proxy will cast the votes represented by your proxy at the Meeting FOR the Nominees.

IF ANY OF THE ABOVE BOARD NOMINEES ARE FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THEIR SHARES ARE TO BE WITHHELD

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

| Name, province or state and country of residence and positions, current and former, if any, held in the Company | Principal occupation during past five years⁽¹⁾ | Date became a Director | Number of common shares beneficially owned or controlled or directed, directly or indirectly⁽¹⁾ |
|--|--|-------------------------------|---|
| Brian Morales ⁽²⁾ Ontario, Canada Chief Financial Officer of the Company | Finance consultant | September 2023 | 737,000 Highland Shares |
| Sophie Galper-Komet ⁽²⁾ Ontario, Canada | Chief Executive Officer of BST Canada Ltd. | December 2024 | Nil |
| Yazeed Esnan ⁽²⁾ British Columbia, Canada | Associate at First Republic Capital Corp. | January 2025 | Nil |

Notes:

- (1) Information has been furnished by the respective Board Nominees individually. For the Board Nominees’ biographies, see the heading titled “*Audit Committee Disclosure – Composition of the Audit Committee.*”
- (2) Member of the Audit Committee of the Board. For more information, please see the heading titled “*Audit Committee Disclosure.*”

Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no proposed director other than disclosed herein:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a Director, CEO or CFO of any company (including the Company) that:
 - (i) was the subject, while the proposed Director was acting in the capacity as Director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a Director, CEO or CFO but which resulted from an event that occurred while the proposed Director was acting in the capacity as Director, CEO or CFO of such company, or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a Director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director, or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Mr. Brian Morales is the CFO of Waverley Resources Ltd. since August 2011, which was subject to a cease trade order resulting from failure to file financial statements as issued on May 8, 2015, by the Ontario Securities Commission, May 11, 2015 by the British Columbia Securities Commission and August 21, 2015 by the Alberta Securities Commission. These cease trade orders were revoked on September 18, 2020.

D. RSU PLAN APPROVAL

The RSU Plan was adopted by the Board on January 4, 2025. Disinterested Shareholders will be asked at the Meeting to consider and, if deemed appropriate, to pass an ordinary resolution confirming and approving the RSU Plan. A copy of the RSU Plan is attached as Schedule “A” – “*RSU Plan*” to this Circular and a summary is contained herein under the heading “*Statement of Executive Compensation – RSU Plan*”.

To be effective, there must be an affirmative vote of not less than a majority of the votes cast by the disinterested Shareholders present in person or by proxy and entitled to vote at the Meeting. For the purposes of disinterested Shareholder approval, the votes of the current officers, directors, and their associates and/or affiliates that are eligible to participate in the RSU Plan will be excluded in determining whether the resolution has been approved. To the knowledge of the Company, such persons hold an aggregate of 1,237,000 Highland Shares.

At the Meeting, the disinterested Shareholders will be asked to pass an ordinary resolution approving the RSU Plan (the “**RSU Plan Resolution**”) in the following form:

“BE IT RESOLVED, as an ordinary resolution, that:

- a. The RSU Plan, substantially in the form attached as Schedule “A” to the Circular, be and the same is hereby ratified, confirmed and approved;
- b. The form of the RSU Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the Shareholders of the Company;
- c. The Shareholders of the Company hereby expressly authorize the board of directors of the Company, in its discretion, to revoke this resolution before it is acted upon without requiring further approval of the Shareholders in that regard; and
- d. Any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy FOR the RSU Plan Resolution. If you do not specify how you want your Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the RSU Plan Resolution.

The Board unanimously recommends that Shareholders vote FOR the RSU Plan Resolution at the Meeting.

E. OPTION PLAN APPROVAL

The Option Plan was adopted by the Board on January 31, 2024. Disinterested Shareholders will be asked at the Meeting to consider and, if deemed appropriate, to pass an ordinary resolution confirming and approving the Option Plan. A copy of the Option Plan is attached as Schedule “B” – “*Option Plan*” to this Circular and a summary is contained herein under the heading “*Statement of Executive Compensation – Option Plan*”.

To be effective, there must be an affirmative vote of not less than a majority of the votes cast by the disinterested Shareholders present in person or by proxy and entitled to vote at the Meeting. For the purposes of disinterested Shareholder approval, the votes of the current officers, directors, and their associates and/or affiliates that are eligible to participate in the Option Plan will be excluded in determining whether the resolution has been approved. To the knowledge of the Company, such persons hold an aggregate of 1,237,000 Highland Shares.

At the Meeting, disinterested Shareholders will be asked to pass an ordinary resolution approving the Option Plan (the “**Option Plan Resolution**”) in the following form:

“BE IT RESOLVED, as an ordinary resolution, that:

- a. The Option Plan, substantially in the form attached as Schedule “B” to the Circular, be and the same is hereby ratified, confirmed and approved;
- b. The form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the Shareholders of the Company;
- c. The Shareholders of the Company hereby expressly authorize the board of directors of the Company, in its discretion, to revoke this resolution before it is acted upon without requiring further approval of the Shareholders in that regard; and
- d. Any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy FOR the Option Plan Resolution. If you do not specify how you want your Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Option Plan Resolution.

The Board unanimously recommends that Shareholders vote FOR the Option Plan Resolution at the Meeting.

F. ARRANGEMENT RESOLUTION

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the BCBCA. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement and the Plan of Arrangement, which are attached to this Circular as Schedule “F” – *Arrangement Agreement and Plan of Arrangement*.

In order to implement the Arrangement, the Arrangement Resolution must be approved by at least 66 2/3% of the votes cast in respect of the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting, on the basis of one vote per Highland Share. A copy of the Arrangement Resolution is set out in Schedule “C” – *Arrangement Resolution* of this Circular.

Unless otherwise directed, it is management's intention to vote FOR the Arrangement Resolution. If you do not specify how you want your Highland Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting FOR the Arrangement Resolution.

If the Arrangement is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect at the Effective Time on the Effective Date.

Background to the Arrangement

Management of Highland believes that there is potentially greater value that could be recognized in the Red Lake Option Agreement, being the mining claim blocks in the northwestern extension of the Red Lake Gold District, comprising approximately 3,366 hectares, and an adjacent 3,090-hectare property, if those interests were held and operated separately, rather than continuing to be held solely by Highland. After careful consideration including a thorough review of the terms of the Arrangement Agreement, and taking into account the best interests of Highland and the impact on the Highland Shareholders and in consultation with its legal and financial advisors, as announced by news release dated August 20, 2025, the Board has decided to proceed with the Arrangement in order to meet the objectives set out under the heading “*Recommendation of the Board*” below.

The Arrangement being proposed by Highland, if approved by the Shareholders, will result in a reorganization of Highland’s share capital and the distribution of Highland Red Lake Shares and Highland Red Lake Warrants to eligible holders of Highland’s securities. The transaction is structured to qualify for exemption from Canadian and U.S. securities registration requirements and is intended to provide Highland Shareholders with direct ownership interests in Highland Red Lake while maintaining their interests in Highland. If all requisite approvals are obtained, Highland, following the Arrangement, will continue to be engaged in the exploration and development of the Church Property and the Sy Property and Highland Red Lake will continue to operate the Red Lake Option Agreement. A description of the Red Lake Option Agreement is provided below:

On July 10, 2025, Highland Red Lake entered into a property option agreement (the “**Red Lake Option Agreement**”) with a third party (the “**Optionor**”). Under the Red Lake Option Agreement, the Optionor granted Highland Red Lake the exclusive right to acquire a 100% interest in mining claim blocks in the northwestern extension of the Red Lake Gold District, comprising approximately 3,366 hectares (the “**Initial Option**”), as well as an exclusive secondary option to earn a 100% interest in an adjacent 3,090-hectare property (the “**2nd Option**”, and together with the Initial Option, the “**Red Lake Options**”). The Red Lake Options are each subject to a 2.0% net smelter returns (“**NSR**”) royalty in favour of the Optionor, with a one time option to buy down the royalty to 1.0% for \$800,000 prior to commercial production. The properties are prospective for greenstone extensions along a deep-tapping regional structure located in the northwestern extension of the prolific Red Lake Gold Camp in the Red Lake Gold District of Ontario.

The Red Lake Options are subject to consideration and work commitments. Upon completion of all payments and work commitments as described below, and delivery of notice and executed royalty agreement, Highland Red Lake acquires a 100% interest in the Property underlying the Initial Option, subject to the NSR royalty:

- (a) Highland Red Lake paid the Optionor \$7,500 within 5 days of the Red Lake Option Agreement's effective date;
- (b) Highland Red Lake is to pay the Optionor \$5,000 within 5 days of a receipt of a recommended exploration and development report;
- (c) Highland Red Lake is to pay the Optionor \$80,000 within 15 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Class A Voting Common Shares in the capital of Highland Red Lake;
- (d) Highland Red Lake is to pay the Optionor \$80,000 within 24 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Class A Voting Common Shares in the capital of Highland Red Lake; subject to reduction if claims are dropped per the Red Lake Option Agreement; and
- (e) Highland Red Lake is to spend a minimum of \$60,000 in qualifying exploration expenditures (the "**Qualifying Expenditures**") on the property underlying the Initial Option by January 21, 2026. In the event that the entire initial work commitment is not expended by January 21, 2026, the difference between the actual spend and the \$60,000 will be owed to the Optionor by the Optionee and the applicable Option will then terminate.

Upon completion of all payments and work commitments as described below, and delivery of notice and executed royalty agreement, Highland Red Lake acquires a 100% interest in the Property underlying the 2nd Option, subject to the NSR royalty:

- (a) Highland Red Lake is to pay the Optionor \$80,000 within 15 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Class A Voting Common Shares in the capital of Highland Red Lake; and
- (b) Highland Red Lake is to pay the Optionor \$80,000 within 24 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Class A Voting Common Shares in the capital of Highland Red Lake.

There is no minimum work commitment to exercise the 2nd Option, and it may be exercised at any time within 24 months of the Red Lake Option Agreement's effective date, upon completion of the required payments and delivery of notice and executed royalty agreement.

On August 19, 2025, Highland and Highland Red Lake entered into the Arrangement Agreement. See below under the heading "*The Arrangement Agreement*".

The Distribution Record Date is affixed as August 26, 2025, to determine holders of Highland Shares, Highland Warrants and Highland RSUs entitled to receive, as applicable, New Highland Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants and Highland Red Lake RSUs. The directors had initially set the Distribution Record Date to occur shortly after the date that the Arrangement Agreement was entered into in order to ensure that as a result of the Arrangement, Highland Red Lake would obtain a sufficient public distribution in order to meet the minimum public distribution requirements to apply for the Highland Red Lake Shares to be listed on a stock exchange. Since Highland only recently completed its own public listing, the current Highland shareholder base represents a broad and diverse group of public investors. By distributing Highland Red Lake Shares to Highland Shareholders, the Shareholder base of Highland is effectively 'cloned' in Highland Red Lake. This approach maximizes the likelihood that Highland Red Lake will meet the minimum public distribution requirements of the applicable stock exchange, such as the number of public shareholders and the public float, which are key criteria for listing approval. Due to the Canada Post strike that commenced in late September 2025, the directors of the Company decided to postpone the meeting to November 21, 2025. The Board was of the view that the Distribution Record Date could not be changed because that would be unfair to any Shareholders or members of the public who had already transacted with the knowledge that the Distribution Record Date had been set as August 26, 2025. The distribution reflects the shareholder base at a time when Highland's public float is robust and not affected by subsequent trading activity or changes in share ownership that may occur between the two dates.

Voting Support Agreements

On or about August 17, 2025, certain Highland Shareholders entered into support and voting agreements in connection with the proposed Plan of Arrangement, pursuant to which they have agreed on and subject to the terms thereof, among other things, to vote or cause to be voted in favour of the Plan of Arrangement and any other matters that could reasonably be expected to facilitate the Plan of Arrangement. As of the Record Date, 14,537,000 Highland Shares or 73.8% of Highland Shares were subject to the voting and support agreements.

Under the terms of these voting support agreement, each supporting Shareholder has agreed to:

- **Vote in Favor of the Arrangement:** At any meeting of security holders called to approve the arrangement or related transactions, the shareholder will vote (or cause to be voted) all of their shares and securities in favor of the arrangement and any other matters necessary for its completion.
- **Vote Against Competing Proposals:** The shareholder will vote against any acquisition proposal other than the arrangement, and against any action or agreement that could impede, delay, or discourage the arrangement or change the voting rights of any class of shares.
- **Restriction on Transfer:** The shareholder has agreed not to transfer, assign, or otherwise dispose of their shares or securities, or enter into any voting arrangement with respect to such securities, except as permitted by the arrangement agreement.
- **Delivery of Proxy:** The shareholder will deliver a proxy or voting instructions, as applicable, directing that their shares and securities be voted in favor of the arrangement, and such proxy or instructions will not be revoked or modified without the Company's prior written consent.
- **Non-Solicitation:** The shareholder will not solicit or encourage any competing acquisition proposals and will immediately cease any ongoing discussions with third parties regarding such proposals.
- **No Exercise of Dissent Rights:** The shareholder has agreed not to exercise any dissent rights with respect to the arrangement.
- **Consent to Disclosure:** The shareholder consents to the inclusion of details or a summary of the agreement in any news release, information circular, court documents, or other public disclosure produced by the Company in connection with the arrangement.

These voting support agreements are binding only in the shareholder's capacity as a security holder and do not restrict their actions as a director or officer of the Company, if applicable.

The agreements will terminate upon the earliest of: mutual written agreement, certain changes to the arrangement consideration, the outside date, breach by the Company, the effective time of the arrangement, or termination of the arrangement agreement.

Arrangement

At the Meeting, Highland Shareholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the BCBCA pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement and the Plan of Arrangement, which have been filed by Highland under its profile on SEDAR+ at www.sedarplus.ca, and which are attached to this Circular as Schedule "F" – *Arrangement Agreement and Plan of Arrangement*.

In order to implement the Arrangement, the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by the Highland Shareholders present in person or by proxy at the Meeting. A copy of the Arrangement Resolution is set out in Schedule "C" – *Arrangement Resolution* of this Circular.

Unless otherwise directed, it is management's intention to vote FOR the Arrangement Resolution. If you do not specify how you want your Highland Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting FOR the Arrangement Resolution.

If the Arrangement is approved at the Meeting and the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time (which will be at 12:01 a.m. (Pacific time)) on the Effective Date.

Steps in the Arrangement

Under the Plan of Arrangement, on the Effective Date, a series of steps will occur in the order set out in the Arrangement Agreement, without any further act or formality required by Shareholders. At the Effective Time:

- (A) each Highland Share outstanding in respect of which a Dissenting Shareholder has validly exercised his, her, or its Dissent Rights will be transferred by the Dissenting Shareholder to Highland and cancelled, with the Dissenting Shareholder ceasing to have any rights as a Shareholder other than the right to receive the fair value of their Shares, as provided under the BCBCA;
- (B) The authorized capital of Highland will be amended by: (i) renaming and redesignating all issued and Highland Shares as “Pre-Arrangement Common Shares” and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each Highland Share held; (ii) and creating the new class of New Highland Shares with terms and rights identical to those of the Highland Shares immediately prior to the Effective Time. The Notice of Articles and Articles of Highland will be amended to reflect these changes;
- (C) Each outstanding Highland RSU as of the Distribution Record Date will be transferred and exchanged for:
 - i. if the applicable Highland RSU has not been exchanged for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then: (i) one Highland Replacement RSUs to acquire one New Highland Share and having the same vesting conditions and other terms as the Highland RSU; and (ii) one Highland Red Lake RSU to acquire 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant.
 - ii. If the applicable Highland RSU has been exchanged for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then, each such holder of a Highland RSU as of the Distribution Record Date shall be entitled to receive only one Highland Red Lake RSU to acquire 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant in respect of each Highland RSU so held.

It is intended that subsection 7(1.4) of the ITA apply to the exchange of Highland RSUs. Accordingly, and notwithstanding the foregoing, the number of shares receivable under the Highland Replacement RSUs and Highland Red Lake RSUs will be adjusted such that the aggregate fair market value, which shall be determined by the board of directors of Highland Red Lake, of such shares receivable immediately after the exchange does not exceed the fair market value of the Pre-Arrangement Common Shares receivable immediately before the exchange;

- (D) each Highland Warrant outstanding as of the Distribution Record Date shall be deemed to be amended to entitle the holder of a Highland Warrant to receive, upon due exercise of the Highland Warrant, for the original exercise price:
 - i. if the applicable Highland Warrant has not been exercised for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then: one New Highland Share for each Pre-Arrangement Common Share that was issuable upon due exercise of the Highland Warrant immediately prior to the Effective Time, and 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant for each Pre-Arrangement Common Share that was issuable upon due exercise of the Highland Warrant immediately prior to the Effective Time;
 - ii. If the applicable Highland Warrant has been exercised for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then, each such holder of a Highland Warrant as of the Distribution Record Date shall be entitled to receive only 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant in respect of each Highland Warrant

so held.

- (E) each issued and outstanding Pre-Arrangement Common Share outstanding on the Distribution Record Date shall be exchanged for: (i) one New Highland Share; (ii) 0.5 of a Highland Red Lake Spinout Share; and (iii) 0.5 of a Highland Red Lake Warrant, the holders of the Pre-Arrangement Common Shares will be removed from the central securities register of Highland as the holders of such and will be added to the central securities register of Highland as the holders of the number of New Highland Shares that they have received on the exchange set forth in Section 3.1.4 of the Plan of Arrangement, and the Highland Red Lake Spinout Shares and Highland Red Lake Warrants transferred to the then holders of the Pre-Arrangement Common Shares will be registered in the name of the former holders of the Pre-Arrangement Common Shares and Highland will provide Highland Red Lake and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Highland Red Lake;
- (F) the Pre-Arrangement Common Shares, none of which will be issued or outstanding once the exchange is completed, will be cancelled and the appropriate entries made in the central securities register of Highland and the authorized share structure of Highland will be amended by eliminating the Pre-Arrangement Common Shares, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the New Highland Shares will be equal to that of the Highland Shares immediately prior to the Effective Time less the fair market value of the Highland Red Lake Spinout Shares distributed;
- (G) Notwithstanding any other provision of the Arrangement, no fractional Highland Red Lake Spinout Shares or Highland Red Lake Warrants shall be distributed to the holders of Highland Shares, Highland RSUs, or Highland Warrants, and, as a result, all fractional amounts arising under this Plan of Arrangement shall be rounded down to the next whole number without any compensation therefor. Any Highland Red Lake Spinout Shares and Highland Red Lake Warrants not distributed as a result of so rounding down shall be retained by Highland.

This summary reflects the principal steps and effects of the Arrangement as set out in the executed Arrangement Agreement and the Plan of Arrangement. Shareholders are encouraged to review the full text of the Arrangement Agreement and Plan of Arrangement, attached hereto as Schedule "F" – *Arrangement Agreement and Plan of Arrangement* for further details.

Recommendation of the Board

Highland has reviewed the terms and conditions of the proposed Arrangement and has concluded that the Arrangement is fair and reasonable to its securityholders and in the best interests of Highland.

In arriving at this conclusion, the Board considered, among other matters:

1. *Separation of Assets.* It is expected the separation of the Red Lake Option Agreement from Highland's assets will provide a separate valuation of both the businesses of Highland and Highland Red Lake and will permit management to advance both the businesses of Highland and Highland Red Lake in a more focused and efficient manner.
2. *Continued Participation by Highland Shareholders through its ownership of Highland Red Lake Shares.* Highland Shareholders, through their ownership of Highland Red Lake Shares, will also participate in the Red Lake Option Agreement. The Highland Shareholders and Highland will hold all of the remaining Highland Red Lake Shares upon completion of the Arrangement.
3. *Continued Participation by Highland Shareholders in the Highland Business.* Highland Shareholders, through their ownership of all the issued and outstanding Highland Shares, will continue to participate in the value associated with the development, operation, and growth of Highland's business.
4. *Continuity of Management.* The board of directors and officers of Highland Red Lake after the Arrangement will initially include certain officers that currently manage Highland, preserving the management know-how and direction of Highland.
5. *Investment Diversification.* The creation of two separate companies dedicated to the pursuit of their respective businesses will provide Highland Shareholders with diversification and increased liquidity for their investment portfolios, as they will hold a direct interest in two companies, each of which is focused and valued on different objectives.
6. *Approval of Highland Shareholders and the Court are required.* The following required approvals protect the rights of Highland Shareholders: (i) the Arrangement must be approved by at least 66 2/3% of the votes cast in respect of the Arrangement Resolution by Highland Shareholders, present in person or represented by proxy at the Meeting; and (ii) the Arrangement must also be sanctioned by the Court, which will consider the fairness of the Arrangement to Highland Shareholders.
7. *Dissent Rights.* Registered Highland Shareholders who oppose the Arrangement may, on strict compliance with the Dissent Procedures, exercise their Dissent Rights and receive the fair value of the Dissent Shares.

The Board also identified disadvantages associated with the Arrangement including the fact that there will be the additional costs associated with running two companies instead of one, that Highland will incur significant expenses in connection with the Arrangement, the uncertainty surrounding the funding of Highland Red Lake and the listing of the Highland Red Lake Shares on a designated stock exchange, and that there is no assurance that the proposed Arrangement will result in positive benefits to Shareholders.

The foregoing summary of the information, factors and risk factors considered by the Board are not intended to be exhaustive. In view of the variety of factors, the amount of information and the appropriate risk factors considered in connection with its evaluation of the Arrangement, the Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor or risk factor considered in reaching its conclusion and recommendation. The Board's recommendation was made after considering all of the above-noted factors as well as the information and risk factors referred to elsewhere herein and in light of the Board's knowledge of the business, financial condition and prospects of the Company. In addition, individual members of the Board may have assigned different weights to different factors.

Based on its review of these and other factors, the Board considers the Arrangement to be in the best interests of Highland and fair and reasonable to the Shareholders, and recommends that the Shareholders vote in favour of the

Arrangement Resolution.

Unless such authority is withheld, the persons named in the enclosed proxy intend to vote for the approval of the Arrangement Resolution.

The board of directors of Highland recommends that the Shareholders vote in favour of the Arrangement Resolution. Each director of Highland who owns Highland Shares has indicated their intention to vote their Highland Shares, if any, in favour of the Arrangement Resolution.

Approval of the Arrangement Resolution

At the Meeting, Highland Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set out in Schedule "C" – *Arrangement Resolution* to this Circular. In order for the Arrangement to become effective, as provided in the Interim Order and by the BCBCA, the Arrangement Resolution must be approved by at least 66 2/3% of the votes cast in respect of the Arrangement Resolution by Highland Shareholders present in person or represented by proxy at the Meeting, on the basis of one vote per Highland Share. Should Highland Shareholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

The Arrangement Agreement

The description of the Arrangement Agreement, both below and elsewhere in this Circular, is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Arrangement Agreement, which is attached to this Circular as Schedule "F" – *"Arrangement Agreement and Plan of Arrangement"*.

Effective Date and Conditions of the Arrangement

If the Arrangement Resolution is passed, the Final Order approving the Arrangement is obtained, the requirements of the BCBCA relating to the Arrangement have been complied with and all other conditions disclosed below under the heading "*The Arrangement – The Arrangement Agreement - Conditions to the Arrangement Becoming Effective*" are met or waived, the Arrangement will become effective at 12:01 a.m. on the Effective Date.

Representations and Warranties

Given the close relationship between Highland and Highland Red Lake, the Arrangement Agreement contains limited, reciprocal representations and warranties made by each of Highland and Highland Red Lake to one another. Those representations and warranties were made solely for purposes of the Arrangement Agreement. No representations or warranties are provided with respect to the business or operations of either entity.

The representations and warranties of each of Highland and Highland Red Lake in favour of the other relate to, among other things: (a) the due incorporation, existence and capacity of each entity; (b) the due execution and delivery of the Arrangement Agreement by each entity; and (c) neither the execution and delivery of the Arrangement Agreement nor the performance of any of Highland's or Highland Red Lake's covenants and obligations thereunder will constitute a material default under, or be in any material contravention or breach of any provision of Highland's or Highland Red Lake's constating documents, any judgment, decree, order, law, statute, rule or regulation applicable to Highland or any agreement or instrument to which Highland is a party or by which it is bound.

Conditions to the Arrangement

Completion of the Arrangement is subject to a number of specified mutual conditions being met as of the Effective Time, including, but not limited to:

- A. The Arrangement, with or without amendment, will have been approved at the Meeting in accordance with the Interim Order.
- B. The Interim Order and the Final Order will have been obtained in form and substance satisfactory to

Highland and Highland Red Lake, acting reasonably.

- C. No action will have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of or damages on account of or relating to the Arrangement and no cease trading or similar order with respect to any securities of Highland or Highland Red Lake will have been issued and remain outstanding.
- D. No more than 10% of Shareholders shall have exercised Dissent Rights.
- E. All material regulatory requirements will have been complied with and all other material consents, agreements, orders and approvals, including regulatory and judicial approvals and orders, necessary for the completion of the transactions provided for in this Agreement or contemplated by the Circular will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances.
- F. None of the consents, orders, regulations or approvals contemplated herein will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by Highland or Highland Red Lake, acting reasonably.
- G. There shall not have been any adverse material change with respect to Highland or its business.
- H. The issuance and exchange of New Highland Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Warrants, Highland Replacement RSUs and Highland Red Lake RSUs to be issued and exchanged pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act and the registration and prospectus requirements of applicable securities legislation in each of the provinces and territories of Canada in which Shareholders are resident.
- I. There shall not have been an amendment to Section 3(a)(10) of the U.S. Securities Act, a change in the interpretation of Section 3(a)(10) of the U.S. Securities Act or a decision of a court which provides that orders of Canadian courts such as the Final Order do not qualify under Section 3(a)(10) of the U.S. Securities Act which results in the Section 3(a)(10) Exemption being not available for any reason to exempt the issuance and exchange of New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Warrants, Highland Replacement RSUs and Highland Red Lake RSUs to be issued and exchanged on completion of the Arrangement from the registration requirements of the U.S. Securities Act.
- J. Highland Red Lake shall have issued the Transaction Shares to Highland.
- K. This Agreement will not have been terminated under Section **Error! Reference source not found..**

which conditions may be mutually waived by Highland and Highland Red Lake in whole or in part at any time.

Additionally, the obligations of Highland to complete the transactions contemplated in the Arrangement Agreement are subject to satisfaction of conditions being met as of the Effective Time, including, but not limited to:

- (a) the Arrangement shall have been approved and adopted by the Shareholders at the Meeting in accordance with the terms of the Interim Order; and
- (b) no more than 10% of Shareholders shall have exercised their Dissent Rights;

which conditions are to the exclusive benefit of Highland and may be waived by it in whole or in part at any time.

Covenants of Highland and Highland Red Lake

Each of the Highland and Highland Red Lake have agreed that it shall take such steps and do all such other acts and things, as may be necessary or desirable in order to give effect to the transactions contemplated by the Arrangement Agreement, subject to Shareholders' and regulatory approval, and shall use its commercially reasonable best efforts to apply for and obtain such consents, orders or approvals as are necessary or desirable for the implementation of

the Arrangement, and to:

- (a) apply for and obtain the Interim Order and the Final Order;
- (b) all material regulatory requirements must be complied with, and, all necessary consents, agreements, orders, and approvals, including regulatory and judicial approvals must be obtained from the relevant authorities;
- (c) there must not have been any adverse material change with respect to Highland or its business prior to the Effective Date;
- (d) the issuance and exchange of new securities under the Plan of Arrangement, including New Highland Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Warrants, and Highland Replacement RSUs must be exempt from registration requirements under the U.S. Securities Act and applicable Canadian securities legislation. The exemption under Section 3(a)(10) of the U.S. Securities Act must remain available, and there must be no change in law or interpretation that would prevent reliance on this exemption;
- (e) Highland Red Lake must have issued the Transaction Shares to Highland prior to completion; and
- (f) the Arrangement Agreement must not have been terminated in accordance with its terms prior to the Effective Date. Each party's obligation to complete the Plan of Arrangement is also subject to the other party having performed all required covenants and the representations and warranties of each party being true and correct in all material respects as of the Effective Date.

Amendment and Termination

Subject to any mandatory applicable restrictions under the provisions of the Arrangement Agreement or the Final Order, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting, but prior to the Effective Date, be amended by the direction of the Board without, subject to applicable law, further notice to or authorization on the part of the Highland Shareholders.

The Arrangement Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board without further action on the part of the Highland Shareholders and nothing expressed or implied in the Arrangement Agreement or in the Plan of Arrangement will be construed as fettering the absolute discretion by the Board to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

Completion of the Arrangement

If: (1) the Arrangement Resolution is approved by Shareholders; (2) the Final Order obtained approving the Arrangement; (3) CSE approval of the Arrangement is obtained; (4) every requirement of the BCBCA relating to the Arrangement has been complied with, and (5) all other conditions disclosed under "*The Arrangement Agreement – Conditions to the Arrangement*" above are either met or waived, the Arrangement will become effective on the Effective Date.

The full particulars of the Arrangement are contained in the Plan of Arrangement attached as Schedule "F"- "*Arrangement Agreement and Plan of Arrangement*" and incorporated by reference into this Circular.

Notwithstanding receipt of the above approvals, the Board may terminate the Arrangement Agreement and abandon the Arrangement without further approval from the Shareholders.

Effect of the Arrangement

Highland Shareholders

As a result of the Arrangement, Highland Shareholders will hold the New Highland Shares and will also receive their pro rata portion of the Highland Red Lake Spinout Shares.

Highland Red Lake is a British Columbia company governed by the BCBCA. For more information regarding Highland Red Lake, see Schedule "I" – *"Information Concerning Highland Red Lake Following the Arrangement"*.

Highland RSU Holders and Warrant Holders

With respect to holders of Highland RSUs, each outstanding Highland RSU as of the Distribution Record Date will be exchanged for one Highland Replacement RSU, entitling the holder to acquire one New Highland Share, and for 0.5 of a Highland Red Lake RSU, entitling the holder to acquire 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant. The terms, conditions, and vesting schedules of the Highland Replacement RSUs and Highland Red Lake RSUs will otherwise remain unchanged from those applicable to the original Highland RSUs, except as required to give effect to the Arrangement.

For holders of Highland Warrants, each Highland Warrant outstanding immediately prior to the Effective Time will, upon exercise, entitle the holder to receive one New Highland Share and 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant for each Highland Share previously issuable upon exercise of the warrant, for the same aggregate consideration. The terms of the Highland warrants will otherwise remain unchanged.

The New Highland Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, Highland Replacement RSUs, and Highland Red Lake RSUs to be issued in connection with the Plan of Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. These securities may not be exercised or transferred by or on behalf of a person within the United States unless an exemption from registration under the U.S. Securities Act and applicable state securities laws is available.

Court Approval of the Arrangement

An Arrangement under the BCBCA requires approval of the Court.

Interim Order

On October 27, 2025, Highland obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. The text of the Interim Order and the Notice of Hearing of Petition for the Final Order are set out in Schedule "E" – *"Interim Order"* and Schedule "J" – *"Notice of Petition"*, respectively, to this Circular.

Final Order

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, Highland intends to make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is currently scheduled for November 28, 2025, or as soon thereafter as counsel may be heard, at the Vancouver Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at any other date and time as the Court may direct. Any Shareholder who wishes to appear or be represented and to present evidence or arguments at that hearing must file and serve a response to petition no later than 2:00 p.m. (Vancouver time) on November 26, 2025, along with any other documents required, and satisfy any other requirements of the Court. Such Persons should consult with their legal advisors as to the necessary requirements. If the hearing is adjourned then, subject to further order of the Court, only those persons having previously filed and served a response to petition will be given notice of the adjournment. Highland has been advised by its legal counsel, Edwards, Kenny & Bray LLP, that the Court has broad discretion under the BCBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, Highland may determine not to proceed with the Arrangement.

The Highland Red Lake securities to be issued and distributed to the Highland securityholders pursuant to the

Arrangement have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state of the United States and will be issued, distributed and exchanged, as applicable, in reliance upon the Section 3(a)(10) Exemption and exemptions provided under the applicable securities laws of each state of the United States in which security holders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued or distributed in exchange for outstanding securities, claims or property interests, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval and to hold such a hearing. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the Final Order will be relied upon to constitute the basis for the Section 3(a)(10) Exemption with respect to the Highland securities to be issued and distributed pursuant to the Arrangement. The Final Order will include the fairness finding required by Section 3(a)(10) and that holders had adequate notice and a right to appear. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the Highland securities in connection with the Arrangement. See *"Particulars of Other Matters to be Acted Upon - The Arrangement – U.S. Securities Laws and Resale of Securities"*.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the form of Notice of Petition attached at Schedule "J" – *"Notice of Petition"* to this Circular. The Notice of Petition constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

Regulatory Approvals

The Highland Shares are listed and posted for trading on the CSE. **The Arrangement is subject to the acceptance of the CSE and Highland will not proceed with the Arrangement if regulatory acceptance or approval is not obtained.**

Other than the Final Order and the approval of the CSE, Highland is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought, although any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, Highland currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date.

Canadian Securities Laws and Resale of Securities

The following summary is not comprehensive. Each Shareholder is urged to consult such holder's professional advisers to determine the Canadian conditions and restrictions applicable to trades in the Highland Red Lake Shares. Resale of any securities acquired in connection with the Arrangement may be required to be made through properly registered securities dealers.

Highland Red Lake will be a reporting issuer in British Columbia, Alberta and Ontario on completion of the Arrangement.

The issuance of the New Highland Shares, Highland Red Lake Shares to Shareholders, Highland Replacement RSUs, and Highland Red Lake RSUs pursuant to the Arrangement will constitute a distribution of securities which is exempt from the registration and prospectus requirements of Canadian securities legislation. The Highland Red Lake Shares received by Shareholders pursuant to the Arrangement may be resold in each of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined in National Instrument 45-102 - *Resale of Securities*; (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that sale; and (iv) if the selling securityholder is an insider or officer of Highland Red Lake, the selling securityholder has no reasonable grounds to believe that Highland Red Lake is in default of securities legislation.

U.S. Securities Laws and Resale of Securities

The New Highland Shares, Highland Red Lake Spinout Shares, Highland Red Lake RSUs, Highland Red Lake Warrants, and Highland Red Lake Shares, to be received by securityholders pursuant to the Arrangement, and the new Highland Warrants that may be deemed to be received by holders upon amendment to the Highland Warrants pursuant to the Arrangement (collectively, the "**Exchanged Securities**"), have not been and will not be registered under the U.S. Securities Act or applicable state securities laws, and are being issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, and similar exemptions from registration under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on October 27, 2025 and, subject to the approval of the Arrangement by the Shareholders, a hearing on the Arrangement will be held on November 28, 2025 at 9:45 a.m. (Vancouver Time). All securityholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and comparable state securities laws with respect to the Exchanged Securities. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

The solicitation of proxies for the Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. U.S. securityholders should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. Specifically, information concerning the mining operations of Highland and Highland Red Lake contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The Highland Red Lake Shares will not be listed for trading on any United States stock exchange. The audited and unaudited historical financial statements of Highland and Highland Red Lake included, or incorporated by reference, in this Circular have been prepared in accordance with Canadian accounting standards and are subject to Canadian auditing and auditor independence standards, which differ from United States GAAP and auditing and auditor independence standards in certain material respects, and thus may not be comparable to financial statements of United States companies. In addition, data on mining operations contained or incorporated by reference in this Circular has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that Highland and Highland Red Lake are organized under the laws of the Province of British Columbia, that their officers and directors are, or will be, primarily residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States, and that all or substantial portions of the assets of Highland and Highland Red Lake and such other persons are, or will be, located outside the United States.

The New Highland Shares, the Highland Red Lake Shares, and the Highland Red Lake Spinout Shares will be freely tradable under U.S. federal Securities laws, except by persons who are "affiliates" of Highland or Highland Red Lake, as applicable, within 90 days prior to completion of the Arrangement or "affiliates" of Highland or Highland Red Lake, as applicable, following completion of the Arrangement. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal Shareholders of the issuer.

Resales by Affiliates Pursuant to Rule 144

In general, pursuant to Rule 144, persons who are "affiliates" of Highland or Highland Red Lake, as applicable, after the completion of the Arrangement, or were "affiliates" of Highland or Highland Red Lake, as applicable, within 90 days prior to the completion of the Arrangement, will be entitled to sell, during any three-month period, those New Highland Shares or Highland Red Lake Spinout Shares, as applicable, that they receive pursuant to the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer. Persons who are affiliates of Highland or Highland Red Lake after the Plan of Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of such issuers.

Resales by Affiliates Pursuant to Regulation S

In general, pursuant to Regulation S, persons who are "affiliates" of Highland or Highland Red Lake, as applicable, after the completion of the Arrangement, or were "affiliates" of Highland or Highland Red Lake, as applicable, within 90 days prior to the completion of the Arrangement, solely by virtue of their status as an officer or director of Highland or Highland Red Lake, as applicable, may sell their New Highland Shares or Highland Red Lake Spinout Shares, as applicable, outside the United States in an "offshore transaction" if none of the seller, an affiliate or any Person acting on their behalf engages in "directed selling efforts" in the United States with respect to such securities and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S, an offer or sale of securities is made in an "offshore transaction" if the offer that is not made to a Person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a "designated offshore securities market", and neither the seller nor any Person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Rule 903 of Regulation S are applicable to sales outside the United States by a holder of New Highland Shares or Highland Red Lake Spinout Shares, as applicable, who is an "affiliate" of Highland or Highland Red Lake, as applicable, after the completion of the Arrangement, or was an "affiliate" of Highland or Highland Red Lake, as applicable, within 90 days prior to the completion of the Arrangement, other than by virtue of his or her status as an officer or director of either Highland or Highland Red Lake, as applicable.

The securities issuable upon exercise of the New Highland Warrants have not been, and will not be, registered under the U.S. Securities Act or any applicable state securities or "blue sky" law. Accordingly, the New Highland Warrants may not be exercised by a "U.S. person", as that term is defined by Regulation S under the U.S. Securities Act, or a person in the United States unless an exemption from registration is available, and, in connection with such exercise, Highland or Highland Red Lake, as applicable, has been provided by such holder evidence satisfactory to Highland or Highland Red Lake of the availability of an exemption from any applicable registration requirements.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the Exchanged Securities to be received by securityholders under the Arrangement. **All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

THE NEW HIGHLAND SHARES, HIGHLAND REPLACEMENT RSUs, HIGHLAND WARRANTS, HIGHLAND RED LAKE RSUs, HIGHLAND RED LAKE SPINOUT SHARES, AND HIGHLAND RED LAKE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH AUTHORITY PASSED ON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

No Collateral Benefit

No director or officer of Highland Red Lake or Highland is entitled to receive, directly or indirectly, as a consequence of the Arrangement, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant. The directors and officers will receive a distribution per security in the Arrangement that is identical in amount and form to the entitlement of the general body of holders of Highland Shares.

Significant Positions and Shareholdings

In considering the recommendation of the Board with respect to the Arrangement, Shareholders should be aware that certain members of Highland's senior management and the Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement.

The following table discloses the number of shares currently owned, controlled or directed, directly or indirectly, by the directors and senior officers of Highland and Highland Red Lake (of whom are currently known), as well as their positions and shareholdings in Highland Red Lake upon completion of the Arrangement assuming no changes to the number of Highland securities currently held or to the issued and outstanding Highland Shares as of the Record Date.

| Name & Relationship | Shares, Warrants and RSUs ⁽¹⁾ | Post-Transaction Highland Red Lake Security holdings |
|---|--|---|
| Edward (Ted) Yew <i>Chief Executive Officer & Director</i> | 500,000 Highland Shares 375,000 Highland Warrants 50,000 Highland RSUs | 250,000 Highland Red Lake Shares 250,000 Highland Red Lake Warrants 25,000 Highland Red Lake RSUs |
| Brian Morales <i>Chief Financial Officer & Director</i> | 737,000 Highland Shares 562,500 Highland Warrants 50,000 Highland RSUs | 368,500 Highland Red Lake Shares 368,500 Highland Red Lake Warrants 25,000 Highland Red Lake RSUs |
| Yazeed Esnan <i>Director</i> | 75,000 Highland RSUs | 37,500 Highland Red Lake RSUs |
| Sophie Galper-Komet <i>Director</i> | 75,000 Highland RSUs | 37,500 Highland Red Lake RSUs |

Notes:

- (1) The information as to principal occupation and number of Highland securities beneficially owned or controlled, not being within the knowledge of the Company, has been furnished by the respective individual themselves. Unless otherwise indicated, such securities are held directly.

Arrangement Risk Factors

In evaluating the Arrangement, Shareholders should carefully consider the following risk factors relating to the

Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Highland Red Lake, may also adversely affect the Highland Shares, Highland Red Lake Shares and/or the businesses of Highland and Highland Red Lake following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Shareholders should also carefully consider the risk factors associated with the businesses of Highland and Highland Red Lake included in this Circular and its Schedules or the documents incorporated by reference. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

The risks associated with the Arrangement include:

The Arrangement Agreement may be terminated at the absolute discretion of the Board.

The Highland Board has a right to terminate the Arrangement and withdraw the Plan of Arrangement at its absolute discretion. Accordingly, there is no certainty, nor can Highland provide any assurance, that the Plan of Arrangement will not be terminated by the Board before completion of the Arrangement.

There can be no certainty that all conditions precedent to the Arrangement will be satisfied.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Highland, including receipt of the Final Order. There can be no certainty, nor can Highland provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Highland Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed.

Requisite Shareholders' approvals may not be obtained

The Arrangement Resolution will require the approval of the Highland Shareholders in accordance with applicable laws and the Interim Order, being at least 66 2/3% of the votes cast on the Arrangement Resolution by the Highland Shareholders, voting as a single class, present in person or by proxy at the Meeting. There can be no certainty, nor can Highland provide any assurance, that the requisite Shareholders' approvals will be obtained. If such approvals are not obtained and the Arrangement is not completed, the market price of the Highland Shares may decline.

Highland and Highland Red Lake will incur costs.

Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by Highland and Highland Red Lake even if the Arrangement is not completed.

The market price for the Highland Shares may decline.

If the Arrangement Resolution is not approved, or even if the Arrangement Resolution is approved, the market price of the Highland Shares may decline to the extent that the current market price of the Highland Shares reflects a market assumption that the Arrangement will be completed, or to the extent that the current market price of the Highland Shares reflects the value associated with the Red Lake Option Agreement, as applicable.

Highland and Highland Red Lake will incur their own expenses going forward.

As a result of the Arrangement, each of Highland and Highland Red Lake will incur their own general and administrative costs to operate the businesses of Highland and Highland Red Lake, respectively. These additional costs may negatively impact the financial performance of each of Highland and Highland Red Lake.

Highland must meet CSE listing requirements to maintain its listing

Highland will need to retain sufficient assets to maintain its CSE listing. In order to maintain its listing on the CSE after the Arrangement, Highland will need to meet the continued listing requirements of the CSE. While management believes that Highland will meet such listing requirements there is no guarantee that Highland will maintain a CSE listing.

Dissent Rights

Dissent Rights are available as provided in the Interim Order and as modified from BCBCA ss. 237–247. The Interim Order provides Registered Highland Shareholders with the right to dissent in substantially the same manner as set forth in Sections 237 to 247 of the BCBCA (which provisions have been duplicated in Schedule “G” – “*Dissent Provisions*” to this Circular). In general, any Registered Highland Shareholder who dissents from the Arrangement Resolution in compliance with Sections 237 to 247 of the BCBCA (as modified by the Interim Order) will be entitled, in the event that the Arrangement becomes effective, to be paid by the resulting issuer the fair value of the Highland Shares held by such Registered Highland Shareholder.

The following summary does not purport to provide comprehensive statements of the procedures to be followed by a Dissenting Shareholder under the BCBCA (as modified by the Interim Order) and reference should be made to the specific provisions of Sections 237 to 247 of the BCBCA, the Plan of Arrangement and the Interim Order. The BCBCA requires strict adherence to the procedures regarding the exercise of rights established therein. The failure to adhere to such the Dissent Procedures may result in the loss of all Dissent Rights. Accordingly, each Highland Shareholder who wishes to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA (as modified by the Interim Order) and consult a legal advisor.

The Statutory Provisions: Sections 237 to 247 of the BCBCA

The Interim Order provides that Registered Highland Shareholders who dissent from certain actions being taken Highland may exercise a right of dissent and require Highland to purchase the Highland Shares held by the Dissenting Shareholders at the fair value of the Dissenting Shares.

A Highland Shareholder is not entitled to exercise Dissent Rights in respect of the Arrangement Resolution if the Highland Shareholder votes any of the Highland Shares beneficially held by it in favour of the Arrangement Resolution. A vote against the Arrangement Resolution or a withholding of votes does not constitute a written objection.

A Dissenting Shareholder is required to send, or in the case of a Beneficial Shareholder, arrange to be sent, a written notice of dissent to Highland at least two days before the date of the Meeting. Since the date of the Meeting is November 21, 2025 a notice of dissent must be received by Highland no later than 1:00 p.m. (Pacific time) on November 19, 2025 or two Business Days immediately preceding any date to which the Meeting may be postponed or adjourned. The written notice should be delivered to Highland at the address for notice described below. After the Arrangement Resolution is approved by Highland Shareholders and within one month after Highland notifies the Dissenting Shareholder of Highland's intention to act upon the Arrangement Resolution in accordance with Section 243 of the BCBCA, the Dissenting Shareholder must send to Highland a written notice that such holder requires the purchase of all of the Highland Shares in respect of which such holder has given notice of dissent, together with the share certificate or certificates representing those Highland Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the Highland Shareholder on behalf of a beneficial holder) whereupon the Dissenting Shareholder is deemed to have sold and Highland is deemed to have purchased those Highland Shares.

Any Dissenting Shareholder who has duly complied with Section 244(1) of the BCBCA, or Highland, may apply to the Court, and the Court may determine the fair value of the Dissenting Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on Highland to apply to the Court. The Dissenting Shareholder will be entitled to receive the fair value that the Dissenting Shares had as of the close of business the day before the approval of the Arrangement Resolution.

Address for Notice

Dissenting Shareholders should send all written objections with respect to the Arrangement Resolution in accordance with Sections 237 to 247 of the BCBCA to:

Edwards, Kenny & Bray LLP

1900 – 1040 West Georgia Street
Vancouver, BC V6E 4H3
Attention: Laura Morrison
service@ekb.com

A notice of dissent must be received by Highland no later than 10:00 a.m. (Pacific time) on November 19, 2025.

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder. The requirements set out in Sections 237 to 247 of the BCBCA as modified by the Interim Order are complex and technical and failure to comply strictly with them may prejudice the exercise of the Dissent Rights.

Registered Highland Shareholders wishing to exercise the Dissent Rights should consult their legal advisers with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights. Registered Highland Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive procedure. A Beneficial Shareholder who wishes to exercise Dissent Rights must arrange for the Registered Highland Shareholder(s) holding its Highland Shares to deliver the notice of dissent.

If, as of the Effective Date, the aggregate number of Highland Shares in respect of which Highland Shareholders have duly and validly exercised Dissent Rights is such that, in the opinion of the Board, completion of the Arrangement would not be in the best interests of Highland, Highland is entitled, in its discretion, not to complete the Arrangement. See "*Particulars of Other Matters to be Acted Upon - The Arrangement – The Arrangement Agreement*".

Exchange of Securities

Procedure for Exchange of Shares

The exchange of Highland Shares for New Highland Shares and Highland Red Lake Shares will be effected automatically based on the Distribution Record Date. Shareholders of record as of the Distribution Record Date will receive their entitlements without the need to submit a letter of transmittal or take any further action.

For Beneficial Shareholders (those who hold their shares through a bank, trust company, securities broker, or other nominee), the New Highland Shares and Highland Red Lake Shares will be credited to their accounts through the standard procedures in place between CDS and their nominee. Beneficial Shareholders should contact their nominee if they have any questions regarding this process or to confirm receipt of their new securities.

For Registered Shareholders, the New Highland Shares and Highland Red Lake Shares will be issued and registered in their names as of the Effective Date. Shareholders will receive Direct Registration System (DRS) advices or, if requested, physical certificates representing their new holdings. There is no requirement to surrender existing share certificates or provide any documentation to receive the new securities.

Lost or Stolen Certificates

If any certificate representing Highland Shares is lost, stolen, or destroyed prior to the Effective Time, the holder should contact the Transfer Agent to arrange for the issuance of replacement DRS advices or certificates for the New Highland Shares and Highland Red Lake Shares. The Transfer Agent may require an affidavit and a lost certificate bond or similar security, as well as an indemnity, before issuing replacements.

No Fractional Shares to be Issued

No holder of Highland Shares will receive fractional securities of Highland or Highland Red Lake, and no cash will be

paid in lieu thereof. Any fractional entitlements will be rounded down to the nearest whole number, and any remainder will be retained by Highland.

Proxy Solicitation Requirements

The solicitation of proxies pursuant to this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act, accordingly, this Circular has been prepared in accordance with the disclosure requirements of Canadian securities law. Such requirements are different than those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. The financial statements of Highland Red Lake included herein have been prepared in accordance with IFRS, are subject to Canadian auditing and auditor independence standards, and may not be comparable in all respects to financial statements of United States companies.

PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES

The following summary describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to Highland Shareholders who exchange their Highland Shares pursuant to the Arrangement and who, at all material times, for purposes of the Tax Act: (i) hold their Highland Shares, and will hold their Old Highland Shares, New Highland Shares and Highland Red Lake Shares (collectively, the "**Subject Securities**") as capital property, and (ii) deal at arm's length, and is not affiliated, with each of Highland Red Lake and Highland (each, a "**Holder**"). The Subject Securities will generally be considered to be capital property to a Holder provided they are not held in the course of carrying on a business and have not been acquired in a transaction considered to be an adventure or concern in the nature of trade.

This summary does not address the Canadian federal income tax considerations applicable to Highland Option holders or Highland Warrant holders in respect of the Arrangement. Highland Option holders and Highland Warrant holders should consult their own tax advisors regarding the income tax consequences to them in respect of the Arrangement and the matters described in this Circular.

This summary is not applicable to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), (ii) that is a "specified financial institution" (as defined in the Tax Act), (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act), (iv) that makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act, (v) that has entered or will enter into a "derivative forward agreement" or "synthetic equity arrangement" (each as defined in the Tax Act) in respect of any of the Subject Securities, (vi) that is, or beneficially owns their Highland Shares through, a partnership, (vii) that is exempt from tax under Part I of the Tax Act, or that is a non-resident of Canada for purposes of the Tax Act. Such Highland Shareholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of the Highland and Red Lake Shares, (viii) that would receive dividends on any of the Subject Securities under or as part of a "dividend rental arrangement" as defined in the Tax Act, or (ix) that is a corporation and is, or becomes as part of a transaction or event or series of transactions or events that include the Arrangement, controlled by a non-resident person or a group of non-resident persons not dealing with each other at arm's length for the purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon the provisions of the Tax Act in force as at the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes the Tax Proposals will be enacted in the form proposed, although there can be no assurance that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in applicable law, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax laws or considerations, which might differ significantly from those discussed herein. No advance income tax ruling has been sought or obtained from the CRA to confirm the tax consequences of any of the transactions described herein.

This summary assumes that Highland will not make a joint election with any Highland Shareholder under section 85

of the Tax Act in respect of the exchange of Old Highland Shares for New Highland Shares and Highland Red Lake Shares pursuant to the Arrangement.

This summary is of a general nature only and is not intended to be, and should not be construed as, legal or tax advice to any particular Holder. This summary is not exhaustive of all possible income tax considerations under the Tax Act that may affect a Holder. The income tax consequences of acquiring and disposing of the Subject Securities will vary depending on a number of factors, including the legal status of the Holder, and the province or territory in which a Holder resides. Accordingly, holders or prospective holders of the Subject Securities should consult their own tax advisors with respect to their particular circumstances and the tax consequences to them of acquiring, holding and disposing of the Subject Securities.

The taxation summary contained in this Circular does not address the Canadian federal income tax considerations applicable to any person who becomes a holder of Highland Shares after the Effective Date or any person who receives a Highland Red Lake Share not pursuant to a Share Exchange (as defined herein) in connection with the Arrangement. Such persons should consult their own tax advisors regarding the income tax consequences to them in respect of the Arrangement and the matters described in this Circular.

Holders Resident in Canada

The following portion of the summary is applicable to a Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention, is, or is deemed to be, resident in Canada at all relevant times (a "**Resident Holder**").

Certain Resident Holders whose Subject Securities might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have the Subject Securities and every "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election, and in all subsequent years, deemed to be capital property. Resident Holders should consult their own tax advisors regarding that election.

Alterations to Share Structure and Articles of the Company and the Re-Designation of Highland Shares

Consistent with the position of the CRA, the alterations, pursuant to the Arrangement, to the authorized share structure, Notice of Articles and Articles of Highland should not, in and of themselves, result in Resident Holders being deemed to have disposed of their Highland Shares or otherwise constitute a taxable event for the purposes of the Tax Act. As such, the "adjusted cost base" (as determined for purposes of the Tax Act) ("**ACB**"), within the meaning of the Tax Act, to a Resident Holder of their Highland Shares immediately prior to such alterations should continue to be the ACB of their Old Highland Shares immediately after such alterations.

Exchange of Old Highland Shares for New Highland Shares and Highland Red Lake Shares

An exchange of Old Highland Shares for New Highland Shares and Highland Red Lake Shares pursuant to the Arrangement (each, a "**Share Exchange**") should be considered to occur "in the course of a reorganization of capital" of Highland, within the meaning of section 86 of the Tax Act.

Provided the aggregate fair market value of all of the Highland Red Lake Shares received by a Resident Holder on a Share Exchange does not exceed the aggregate "paid-up capital" (as determined for purposes of the Tax Act) ("**PUC**") of all of the Old Highland Shares held by such Resident Holder immediately before the Share Exchange, a receipt of Highland Red Lake Shares by the Resident Holder on such Share Exchange should not give rise to the deemed receipt of a dividend by the Resident Holder. Management of Highland expects that the aggregate fair market value of all of the Highland Red Lake Shares at the time of the Share Exchanges will be substantially less than the aggregate PUC of all of the issued and outstanding Old Highland Shares immediately before the Share Exchanges. If the aggregate fair market value of all of the Highland Red Lake Shares received by a Resident Holder on a Share Exchange were to exceed the aggregate PUC of all of the Old Highland Shares held by such Resident Holder immediately before the Share Exchange, then the excess will generally be deemed to be a dividend received by the Resident Holder from Highland.

Assuming that the aggregate fair market value of all of the Highland Red Lake Shares received by a Resident Holder

on a Share Exchange does not exceed the aggregate PUC of all of the Old Highland Shares held by such Resident Holder immediately before the Share Exchange, the Resident Holder will be deemed to have disposed of their Old Highland Shares for proceeds of disposition equal to the greater of: (i) the ACB to the Resident Holder of their Old Highland Shares immediately before the Share Exchange, and (ii) the aggregate fair market value at the time of the Share Exchange of the Highland Red Lake Shares received by such Resident Holder. Consequently, a Resident Holder who receives Highland Red Lake Shares on a Share Exchange will only realize a capital gain on such Share Exchange if, and to the extent that, the aggregate fair market value of the Highland Red Lake Shares received by such Resident Holder on the Share Exchange exceeds the ACB to such Resident Holder of its Old Highland Shares immediately before the Share Exchange. See "Holders Resident in Canada – Taxation of Capital Gains and Losses" below for a general description of the treatment of capital gains and capital losses under the Tax Act.

The aggregate cost (and ACB) to a Resident Holder of New Highland Shares acquired on a Share Exchange will be equal to the amount, if any, by which the Resident Holder's ACB of its Old Highland Shares immediately before the Share Exchange exceeds the aggregate fair market value, at the time of the Share Exchange, of the Highland Red Lake Shares acquired by such Resident Holder on the Share Exchange. The aggregate cost (and ACB) to a Resident Holder of Highland Red Lake Shares acquired on a Share Exchange will be equal to the aggregate fair market value, at the time of the Share Exchange, of the Highland Red Lake Shares acquired by such Resident Holder on the Share Exchange.

Disposition of New Highland Shares or Highland Red Lake Shares after the Arrangement

A Resident Holder that disposes or is deemed to dispose of a New Highland Share or Highland Red Lake Share, as the case may be, after the Arrangement (other than a disposition to the relevant issuer corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in the open market) will generally realize a capital gain (or sustain a capital loss) equal to the amount, if any, by which the proceeds of disposition of the New Highland Share or Highland Red Lake Share, as applicable, exceeds (or is less than) the ACB to the Resident Holder of such New Highland Share or Highland Red Lake Share, as applicable, at the time of disposition, less any reasonable costs of disposition. Any such capital gain or capital loss will be subject to the treatment generally described below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain realized by a Resident Holder in a taxation year will be included in computing the Resident Holder's income for that taxation year as a "**taxable capital gain**" and, generally, one-half of any capital loss sustained in a taxation year (an "**allowable capital loss**") must be deducted from the taxable capital gains realized by the Resident Holder in the same taxation year, in accordance with the rules contained in the Tax Act. Allowable capital losses in excess of taxable capital gains realized by a Resident Holder in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Holder in such taxation year, subject to and in accordance with the rules contained in the Tax Act.

The amount of any capital loss sustained by a Resident Holder that is a corporation on the disposition of a New Highland Share or Highland Red Lake Share, as applicable, may be reduced by the amount of any dividends received or deemed to have been received by such Resident Holder on the relevant share (or on a share for which such share was substituted) to the extent and in the circumstances described in the Tax Act. Similar rules may apply where the corporation is a member or beneficiary of a partnership or trust that held the share, or where a partnership or trust of which the corporation is a member or beneficiary is itself a member of a partnership or a beneficiary of a trust that held the share. Resident Holders to whom these rules may apply should consult their own tax advisors in this regard.

A Resident Holder that is, through the relevant taxation year, a "Canadian controlled private corporation" (as defined in the Tax Act) or "substantive CCPC" may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which includes taxable capital gains, for the year. Resident Holders to whom these rules may apply should consult their own tax advisors in this regard.

Taxation of Dividends

A Resident Holder who is an individual (other than certain trusts) will be required to include in income any dividends received or deemed to be received on the New Highland Shares or Highland Red Lake Shares, as applicable, and will be subject to the dividend gross-up and tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced dividend gross-up and tax credit that may be applicable if and to the extent that Highland or Highland Red Lake, as the case may be, designates the relevant taxable dividend to be an "eligible dividend" in accordance with the Tax Act. There can be no assurance that any dividend paid by Highland or Highland Red Lake, as applicable, will be designated as an "eligible dividend" and neither Highland nor Highland Red Lake have made any commitments in that regard.

A Resident Holder that is a corporation will be required to include in income any dividends received or deemed to be received on the New Highland Shares or Highland Red Lake Shares, as applicable, and will generally be entitled to deduct an equivalent amount in computing its income, subject to certain limitations set forth in the Tax Act and Tax Proposals. A Resident Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may also be liable under Part IV of the Tax Act to pay a special tax (refundable in certain circumstances) on any dividend received or deemed to be received on the New Highland Shares or Highland Red Lake Shares, as applicable, to the extent that the dividend is deductible in computing the Company's income for such taxation year.

A Resident Holder that is, throughout the year, a "Canadian-controlled private corporation" may be subject to an additional tax (refundable in certain circumstances) on its "aggregate investment income", which includes dividends that are not deductible in computing taxable income for such taxation year. Subsection 55(2) of the Tax Act provides that, where certain corporate Shareholders receive or are deemed to receive a dividend in specified circumstances, all or part of such dividend may be recharacterized as a capital gain from the disposition of capital property and not as a dividend. For a description of the tax treatment of capital gains and capital losses, see "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" above. Resident Holders that are corporations should consult their own tax advisors in respect of any dividends received or deemed to be received on the New Highland Shares or Highland Red Lake Shares, as applicable, having regard to their own circumstances.

Alternative Minimum Tax on Individuals

A Resident Holder who is an individual (including certain trusts) and receives a taxable dividend on, or realizes a capital gain on the disposition of, a share, including an Old Highland Share, New Highland Share or Highland Red Lake Share, may be liable for minimum tax to the extent and in the circumstances described in the Tax Act. Resident Holders should consult their own tax advisors with respect to the minimum tax provisions.

Dissenting Shareholders

A Resident Holder who validly exercises Dissent Rights and consequently receives a payment from Highland equal to the fair value of such Resident Holder's Highland Shares (each, a "**Dissenting Resident Holder**") will be deemed to receive a taxable dividend in the taxation year equal to the amount, if any, by which the amount received by the Dissenting Resident Holder for its Highland Shares (excluding interest) exceeds the PUC of such Highland Shares determined immediately before the Arrangement. The general tax consequences to a Dissenting Resident Holder that is deemed to receive a dividend are described above under "*Holders Resident in Canada – Taxation of Dividends*".

A Dissenting Resident Holder will also be deemed to have received proceeds of disposition for their Highland Shares equal to the amount received by the Dissenting Resident Holder for their Highland Shares (excluding interest) less the amount of any dividend deemed to be received as described above. Consequently, a Dissenting Resident Holder will realize a capital gain (or sustain a capital loss) to the extent that such proceeds of disposition exceed (or are less than) the ACB to such Dissenting Resident Holder of its Highland Shares. The general tax consequences to a Dissenting Resident Holder that realizes a capital gain or sustains a capital loss are described above under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Any interest awarded to a Dissenting Resident Holder will be included in such Resident Holder's income for the purposes of and in accordance with the Tax Act. Additional income tax considerations may be relevant to Resident Holders who fail to perfect or withdraw their claims pursuant to the Dissent Rights. **Resident Holders should consult**

their own tax advisors with respect to the tax consequences to them of exercising Dissent Rights.

Eligibility for Investment – New Highland Shares and Highland Red Lake Shares

Subject to the provisions of any particular plan, the New Highland Shares will, at the time of their issuance pursuant to the Arrangement, each be a "qualified investment" for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan, a registered education savings plan ("RESP"), a registered disability savings plan ("RDSP") or a tax-free savings account ("TFSA") as those terms are defined in the Tax Act (collectively, "**Registered Plans**") provided that, at such time, the New Highland Shares are listed on a "designated stock exchange" as defined in the Tax Act, Highland is otherwise a "public corporation" as defined in the Tax Act. Management of Highland expects that the New Highland Shares will be qualified investments as described above at the time such shares are issued pursuant to the Arrangement.

Subject to the provisions of any particular plan, the Highland Red Lake Shares will each be a "qualified investment" for a Registered Plan at a particular time provided that, at such time, the Highland Red Lake Shares are listed on a "designated stock exchange" as defined in the Tax Act or Highland Red Lake is otherwise a "public corporation", as those terms are defined in the Tax Act.

Notwithstanding the foregoing, there can be no assurance whether, or when, the Highland Red Lake Shares will be listed or traded on any designated stock exchange. If the Highland Red Lake Shares are not listed on a designated stock exchange at the time they are issued pursuant to the Arrangement, but then subsequently become listed on a designated stock exchange on or before the filing due date for Highland Red Lake's T2 income tax return for its first taxation year (the "First Tax Return"), Highland Red Lake may make an election with the First Tax Return under the Tax Act to have such shares retroactively considered to be qualified investments for Registered Plans from their date of issuance. If an Highland Red Lake Share is acquired by a Registered Plan at a time when the Highland Red Lake Share is not a (or retroactively deemed to be a) "qualified investment" under the Tax Act, adverse tax consequences may arise for the Registered Plan and/or the annuitant, subscriber or holder in respect of the Registered Plan, including that the Registered Plan may become subject to a penalty tax, the annuitant or holder of such Registered Plan may be deemed to have received income therefrom, and/or such plan may have its tax-exempt status revoked.

In addition to the foregoing, if any of the New Highland Shares or Highland Red Lake Shares, as applicable, is a "prohibited investment" for purposes of the Tax Act for an RRSP, RRIF, RESP, RDSP or TFSA, the annuitant under such RRSP or RRIF, the subscriber of such RESP, or the holder of such RDSP or TFSA, as the case may be, may be subject to a penalty tax under the Tax Act. The New Highland Shares and Highland Red Lake Shares will generally not be a "prohibited investment" for a particular trust governed by an RRSP, RRIF, RESP, RDSP or TFSA if the annuitant, subscriber or holder, as applicable: (i) deals at arm's length with Highland or Highland Red Lake, as applicable, for purposes of the Tax Act, and (ii) does not have a "significant interest" (within the meaning of the Tax Act) in Highland or Highland Red Lake, as applicable, or any other corporation that is related to Highland or Highland Red Lake, as applicable, for purposes of the Tax Act. In addition, the New Highland Shares and Highland Red Lake Shares will not be a "prohibited investment" if such shares are "excluded property" (as defined in the Tax Act) for such RRSP, RRIF, RESP, RDSP or TFSA.

Holders, subscribers, or annuitants, as the case may be, of Registered Plans which currently hold Highland Shares and will acquire New Highland Shares and Highland Red Lake Shares pursuant to the Arrangement are urged to consult their own tax advisors having regard to their own particular circumstances.

Holders Not Resident in Canada

A Non-Resident Holder who receives, or is deemed to receive, a dividend on the New Highland Shares or Highland Red Lake Shares, as applicable, will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend, unless that rate is reduced pursuant to the terms of an applicable income tax convention, to which the Non-Resident Holder is entitled to the benefits of, between Canada and another country of which the Non-Resident Holder is resident, as potentially modified by the MLI. By way of example, under the *Convention Between Canada and The United States of America With Respect to Taxes on Income and on Capital*, as amended (the "**Convention**"), where dividends are paid or credited to, or in certain circumstances derived by, a Non-Resident Holder who is a resident of the United States for the purposes of, and who is fully entitled to the benefits of, the Convention, the applicable rate of Canadian withholding tax is generally reduced to 15%. Highland or Highland Red Lake, as the case may be, will be required to withhold and deduct the required amount of withholding tax from the dividend, and to remit such amount to the CRA for the account of the Non-Resident Holder. Non-Resident Holders who may be eligible for a reduced rate of withholding tax on dividends pursuant to any applicable income tax convention should consult with their own tax advisors in that regard.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Highland Shareholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. This Circular does not contain a description of the United States tax consequences of the Arrangement or the ownership of Highland Shares, Old Highland Shares, New Highland Shares, Highland Red Lake Shares, Highland Warrants, Highland Replacement RSUs or Highland Red Lake RSUs.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Company at its office at 405 – 375 Water Street, Vancouver, V6B 5C6 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative audited consolidated financial statements and MD&A for its most recently completed financial year which are filed on SEDAR+.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DATED at Toronto, Ontario this 27th day of October, 2025.

APPROVED BY THE BOARD OF DIRECTORS

(Signed) "Brian Morales"

Brian Morales
Director

SCHEDULE "A" - RSU PLAN
[See attached.]

HIGHLAND CRITICAL MINERALS CORP.

RESTRICTED SHARE UNIT PLAN

EFFECTIVE AS OF JUNE 4, 2025

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RESTRICTED SHARE UNIT PLAN

ARTICLE 1 – PURPOSE AND INTERPRETATION

Section 1.1 Purpose

The purpose of the Plan is to promote and advance the interests of the Company by (i) providing Eligible Persons with additional incentive through an opportunity to receive bonuses in the form of Common Shares of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate Eligible Persons.

Section 1.2 Definitions

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “**Account**” means a notional account maintained for each Participant on the books of the Company which will be credited with Restricted Share Units and Dividend RSUs, in accordance with the terms of the Plan;
- (b) “**Affiliate**” means any person that controls or is controlled by the Company or that is controlled by the same person that controls the Company;
- (c) “**Affiliated Company**” means a company that is a subsidiary of another company or if two or more companies are subsidiaries of the same company or two or more companies are controlled by the same person or company;
- (d) “**Associate**” has the meaning ascribed to that term in Section 2.22 of NI 45-106;
- (e) “**Applicable Law**” mean any applicable law, including without limitation: (i) the BCBCA; (ii) Applicable Securities Laws; (iii) the ITA; (iv) any other applicable corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, provincial, state, local or foreign; and (v) Stock Exchange Policy;
- (f) “**Applicable Securities Law**” means the BCSA and the equivalent thereof in each province and territory of Canada in which the Company is a “reporting issuer” or the equivalent thereof, together with the regulations, rules and blanket orders of the securities commission or similar regulatory authority in each of such jurisdictions;
- (g) “**BCBCA**” means the *Business Corporations Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCBCA shall also be a reference to any successor provision promulgated thereunder;
- (h) “**BCSA**” means the *Securities Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCSA shall also be a reference to any successor provision promulgated thereunder;
- (i) “**Black-Out Period**” means a period when the Participant is prohibited from trading in the Company’s securities, including the Common Shares, pursuant to Applicable Securities Laws or the policies of the Company;

- (j) **“Board”** means the board of directors of the Company or such delegate as referred to by the term in Section 3.1(1);
- (k) **“Business Day”** means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Vancouver, British Columbia, on which the Stock Exchange is open for trading;
- (l) **“Cause”** means:
 - (i) if the Participant has a written agreement with the Company or a subsidiary of the Company in which cause is defined, “cause” as defined therein; or
 - (ii) if the Participant has no written agreement with the Company or a subsidiary of the Company in which cause is defined,
 - a) in the case of employee, director or officer Participants: (I) the inability of the Participant to perform their duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (II) the failure of the Participant to follow the Company’s reasonable instructions with respect to the performance of their duties; (III) any material breach by the Participant of their obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (IV) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (V) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
 - b) in the case of Consultant Participants, for any reason, upon one (1) week’s notice, provided there is no conflict with Applicable Law;
- (m) **“Certificate”** has the meaning given to that term in Section 3.1(3);
- (n) **“Change of Control Event”** means:
 - (i) the acquisition of a sufficient number of voting securities in the capital of the Company so that the acquiror, together with Persons or Entities acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company);
 - (ii) the completion of a consolidation, merger, arrangement or amalgamation of the Company with or into any other entity whereby the voting securityholders of the Company immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity;
 - (iii) the complete liquidation or dissolution of the Company or the completion of a sale,

lease, exchange or other transfer (in one transaction or a series of transactions) whereby all or substantially all of the Company's undertakings and assets become the property of any other entity and the voting securityholders of the Company immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or

- (iv) an occurrence when a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board;
- (o) **"Common Shares"** means the class A common shares in the share capital of the Company;
- (p) **"Company"** means Highland Critical Minerals Corp., a company incorporated under the laws of British Columbia;
- (q) **"Consultant"** has the meaning ascribed to that term in Section 2.22 of NI 45-106;
- (r) **"Control"** has the meaning ascribed to that term in Section 1.4 of NI 45-106;
- (s) **"Controlled Company"** means a company controlled by another person or company or by two or more companies;
- (t) **"Disability"** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Board, acting reasonably, determines constitutes a disability;
- (u) **"Dividend RSUs"** means a bookkeeping entry credited to a Participant's Account equivalent in value to the dividend, if any, paid on a Common Share in accordance with Section 4.2 of the Plan;
- (v) **"Eligible Person"** means:
 - (i) any director, officer, or employee of the Company or any Affiliate;
 - (ii) subject to confirmation of the receipt of independent tax advice having been obtained by the recipient Consultant, any Consultant of the Company or any Affiliate; and
 - (iii) subject to confirmation of the receipt of independent tax advice having been obtained by the recipient Personal Holding Company, any Personal Holding Company of any of the persons listed in Section 1.2(v)(i) above;who is designated by the Board as eligible to participate in the Plan;
- (w) **"Expiry Date"** means the expiry date set out by the Board on the date of approval of a grant and as described in the applicable Certificate (which for greater certainty may vary between RSUs granted from time to time), following which an RSU is expired and is thereafter incapable of settlement, and is of no value whatsoever, provided however that in

no event shall an Expiry Date be a date that is more than three years from the Grant Date;

- (x) **“Grant Date”** means any date determined from time to time by the Board as a date on which a grant of RSUs will be made to one or more Eligible Persons under this Plan;
- (y) **“ITA”** means the *Income Tax Act* (Canada) and any regulations thereunder, each as amended from time to time. Any reference to any section of the ITA shall also be a reference to any successor provision and any regulation promulgated thereunder;
- (z) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or Shareholder, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - a) to promote the sale of products or services of the Company, or
 - b) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - a) Applicable Securities Laws;
 - b) Stock Exchange requirements, including Stock Exchange Policy, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - a) the communication is only through the newspaper, magazine or publication, and
 - b) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Stock Exchange;
- (aa) **“Market Price”** means, unless otherwise required by Applicable Law or by any applicable accounting standard for the Company’s desired accounting for RSU Awards, with respect to any particular date, the last available closing market price of the Common Shares on the Stock Exchange. In the event that the Common Shares are not listed and posted for trading on any Stock Exchange, the Market Price shall be the fair market value of such Common Shares as determined by the Board in its discretion;
- (bb) **“NI 45-106”** means National Instrument 45-106 - *Prospectus Exemptions*, as may be

amended from time to time. Any reference to any section of the NI 45-106 shall also be a reference to any successor provision promulgated thereunder.

- (cc) **“Outstanding Issue”** means the number of Common Shares that are outstanding (on a non-diluted basis) immediately prior to the Common Share issuance or grant of RSUs in question, as applicable;
- (dd) **“Participant”** means an Eligible Person to whom RSUs have been granted and are outstanding;
- (ee) **“Personal Holding Company”** means a personal holding company that is either wholly owned, or controlled by, any director, executive officer or employee of the Company or an Affiliated Entity, and the shares of which are held directly or indirectly by any such person or the person's spouse, minor children and/or minor grandchildren;
- (ff) **“Person”** or **“Entity”** means an individual, natural person, company, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity;
- (gg) **“Plan”** means this Restricted Share Unit plan of the Company, as amended from time to time;
- (hh) **“Related Entity”** means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second Person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second Person, or
 - (iv) being a trustee of the second Person;
- (ii) **“Related Person”** means:
 - (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (jj) **“Reporting Insider”** means a reporting insider as defined under National Instrument 55-

104 – *Insider Reporting Requirements*, as may be amended from time to time;

- (kk) **“Restricted Share Unit”** or **“RSU”** means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account and representing the right of a Participant to whom a grant of such restricted share units is made to receive one Common Share (or, pursuant to Section 4.3, an amount of cash equal to the Market Value thereof), pursuant and subject to the terms and conditions set forth in this Plan and in the applicable Certificate;
- (ll) **“RSU Award”** means the number of RSUs determined by the Board to be awarded to the Participant and credited to a Participant’s Account, as evidenced by a Certificate;
- (mm) **“Settlement Date”** means the Business Day during the Settlement Period on which a Participant elects to settle an RSU in accordance with Section 4.3;
- (nn) **“Settlement Notice”** has the meaning set out in Section 4.3;
- (oo) **“Settlement Period”** means the period starting on the Vesting Date and ending on the Expiry Date;
- (pp) **“Shareholder”** means a holder of a Common Share in the capital of the Company;
- (qq) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan, restricted share unit, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise including, without limitation, this Plan;
- (rr) **“Stock Exchange”** means the Canadian Securities Exchange or if the Common Shares are not listed on the Canadian Securities Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
- (ss) **“Stock Exchange Policy”** means the rules and policies of the Stock exchange, as may be amended from time to time;
- (tt) **“subsidiary”** means a person or company that is:
 - (i) controlled directly or indirectly by:
 - a) that other, or
 - b) that other and one or more persons or companies each of which is controlled by that other, or
 - c) two or more persons or companies, each of which is controlled by that other;
or
 - (ii) a subsidiary of a person or company that is the other’s subsidiary;
- (uu) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person or otherwise on such date on which the Company terminates its engagement of the Participant. For greater certainty, in the case of a Participant whose employment or term of

office with the Corporation or any Subsidiary Company terminates in the circumstances set out in Section 4.4(1)(a), Section 4.4(1)(b) or Section 4.4(1)(c), the date that is designated by the Corporation or any Subsidiary Company, as the last day of the Participant's employment or term of office with the Corporation or such Subsidiary Company, provided that in the case of termination of employment or term of office by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not include any period of reasonable notice that the Corporation or any Subsidiary Company may be required at law to provide to the Participant; and

(vv) "**Vesting Date**" means the date on which an RSU is vested for the purposes of the Plan.

Section 1.3 Interpretation

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

Section 1.4 Headings

The headings of all Articles, Sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.5 References to this RSU Plan

The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.6 Canadian Funds

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE 2 – SHARE CAPITAL

Section 2.1 Shares Reserved

- (1) Subject to adjustment under Section 5.3(1), the securities that may be acquired by Participants pursuant to RSUs granted under this Plan shall consist of authorized but unissued Common Shares.
- (2) The Company shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of RSUs granted under this Plan.
- (3) The aggregate maximum number of Common Shares made available for issuance under the Plan, including any other Share Compensation Arrangements, subject to adjustment under Section 5.3(1), shall be determined from time to time by the Board, but in any case, shall not exceed 20% of the Outstanding Issue from time to time, subject to adjustments as provided in the Plan.
- (4) The Plan shall be a "rolling plan" and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be

available for issuance pursuant to RSUs granted under the Plan.

Section 2.2 Limits on RSU Grants

- (1) The Company shall only grant RSU Awards under this Plan in accordance with Section 3.2 hereof. For greater certainty, all RSU Awards granted under the Plan which may be denominated or settled in Common Shares, and all such Common Shares issued under the Plan, will be issued pursuant to the prospectus and registration requirements of Applicable Securities Laws or an exemption from such prospectus and registration requirements.
- (2) The Company shall only grant RSU Awards under this Plan in compliance with Section 2.24 of NI 45-106. Until such time as the Corporation obtains shareholder approval of this RSU Plan and other Share Compensation Arrangements in accordance with section 2.24 of NI 45-106, such compliance shall be evidenced by a Compliance Certificate executed by the Company, in substantially the form attached hereto as Schedule "B", as may be amended by the Board from time to time.
- (3) The maximum number of listed securities of the Company (either issued directly or issuable on settlement of any RSUs or other convertible securities) which may be granted within any 12 month period to Persons engaged in Investor Relations Activities for the Company must not exceed 1% of the Outstanding Issue.

ARTICLE 3 – ADMINISTRATION

Section 3.1 General

- (1) This Plan shall be administered by the Board, in its discretion. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate (to the extent permitted by Applicable Law) the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. Any delegation pursuant to this Section 3.1 shall be documented in a resolution of the Board.
- (2) Subject to the terms and conditions set forth herein and Applicable Law, the Board is authorized to provide for the granting, vesting, settlement and method of settlement of RSUs, all on such terms (which may vary between RSUs granted from time to time) as it shall determine. In addition, the Board shall have the authority to:
 - (a) select any directors, officers, employees or Consultants of the Company or subsidiary of the Company to participate in this Plan; provided that RSUs granted to any Participant shall be approved by the Shareholders if the rules of the Stock Exchange require such approval;
 - (b) construe and interpret this Plan and all agreements entered into hereunder;
 - (c) prescribe, amend and rescind rules and regulations relating to this Plan; and
 - (d) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) An RSU Award shall be evidenced by an Restricted Share Unit Grant Agreement Certificate ("**Certificate**"), in substantially the form attached hereto as Schedule "A", as may be amended by the Board from time to time. Each such Certificate shall include the following terms and

conditions and such additional terms and conditions (in either case not inconsistent with the provisions of the Plan and such provisions of the Plan shall prevail in the event of a conflict between the Plan and a Certificate or any other communications) as the Board shall determine, in its discretion:

- (a) the number of RSUs subject to the RSU Award to be credited to the Participant's Account;
 - (b) the Grant Date;
 - (c) the Vesting Date or Vesting Dates applicable to the RSUs subject to the RSU Award;
 - (d) the Settlement Period and Expiry Date applicable to an RSU subject to the RSU Award;
 - (e) the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon settlement of the RSU;
 - (f) the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon settlement of an RSU may be forfeited; and
 - (g) such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.
- (4) No member of the Board (or person acting under delegated authority) nor the Company, will be liable for any action or determination taken or made in the administration, interpretation, construction or application of this Plan, any Certificate or any RSU issued pursuant to this Plan, or otherwise in any way in respect of any Participant's participation in this Plan or the holding or settlement of RSUs. To the fullest extent permitted by Applicable Law, the Company shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such Person is or was a member of the Board or is or was a member of the committee responsible for administering and operating the Plan in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.

Section 3.2 Compliance with Legislation

- (1) The Plan, the terms of the issue or grant and the settlement of RSUs hereunder and the Company's obligation to sell and deliver Common Shares upon settlement of RSUs shall be subject to all Applicable Laws and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any RSU hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No RSU shall be granted and no Common Shares issued or sold thereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any RSU or issue or sale of Common Shares hereunder in violation of this provision shall be void.
- (3) The Company shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Common Shares issued and sold to Participants pursuant to the settlement of RSUs may be subject to restrictions or limitations on sale or resale under Applicable Securities Laws.

- (4) If Common Shares cannot be issued to a Participant upon the settlement of an RSU due to legal or regulatory restrictions, the obligation of the Company to issue such Common Shares under the Plan shall terminate, at no cost to the Company nor obligation to otherwise compensate a Participant in any way.

Section 3.3 Miscellaneous

- (1) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required Shareholder or Stock Exchange approval.
- (2) Nothing contained in the Plan nor in any RSU granted hereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a Shareholder or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the settlement of any RSU.
- (3) The Plan does not give any Participant or any employee of the Company or any of its Affiliated Companies or Controlled Companies or subsidiaries the right or obligation to continue to serve as a Consultant, director, officer or employee of, or be engaged by, as the case may be, the Company or any of its Affiliated Companies or Controlled Companies or subsidiaries. The awarding of RSUs to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.
- (4) The existence of any RSUs shall not affect in any way the right or power of the Company or its Shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.
- (5) No fractional Common Shares shall be issued upon the settlement of RSUs granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the settlement of an RSU, or from an adjustment pursuant to Section 5.3(1) such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

ARTICLE 4 – RESTRICTED SHARE UNITS

Section 4.1 Granting of RSUs

- (1) Where the Board determines to grant an RSU Award to an Eligible Person under the terms and conditions applicable to such RSU Award, the Company shall deliver to the Eligible Person a Certificate, containing the terms and condition applicable to such RSU Award.
- (2) On the grant of an RSU Award, the Company will credit the Participant's Account with the number of RSUs granted to such Participant under the terms of the RSU Award.
- (3) The grant of an RSU Award shall entitle the Participant to the conditional right to receive for each RSU credited to the Participant's Account, at the election of the Company, either one Common Share or an amount in cash, net of applicable taxes and contributions to government sponsored plans, as

determined by the Board, equal to the Market Price of one Common Share for each RSU credited to the Participant's Account on the Settlement Date, subject to the conditions set out in the Certificate and in the Plan, and subject to all other terms of this Plan.

- (4) An Eligible Person may receive an RSU Award on more than one occasion under the Plan and may receive separate RSU Awards on any one occasion.
- (5) RSUs granted under this Plan to an Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or an Affiliate, as the case may be, in the fiscal year ending in, coincident with or before such calendar year, subject to any other determination by the Company.

Section 4.2 Dividends

- (1) Unless the Board determines otherwise, additional RSUs ("**Dividend RSUs**") will be credited to a Participant's Account where the Company declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had they been holding such number of Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Common Shares and the Market Price of the Common Shares on the payment date.
- (2) Dividend RSUs credited to a Participant's Account shall vest and be settled in the same manner and on the same date as the RSUs to which they relate.

Section 4.3 Settlement of Restricted Share Units

- (1) Subject to the provisions of the Plan and in particular Section 4.4 and Section 5.2 and any vesting limitations imposed by the Board in its sole unfettered discretion at the time of grant, RSUs subject to an RSU Award may be settled by a Participant during the Settlement Period applicable to the RSU by delivery to the Company of a notice (the "**Settlement Notice**") in a form attached to the Certificate. As soon as practicable following the receipt of the Settlement Notice, RSUs will be settled by the Company through the delivery by the Company of such number of Common Shares equal to the number of RSUs then being settled or, at the Company's election, an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price at the Settlement Date of one Common Share for each RSU then being settled. Where, prior to the Expiry Date, a Participant fails to elect to settle an RSU, the Participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date.
- (2) Notwithstanding the foregoing, if the Company elects to issue Common Shares in settlement of RSUs:
 - (a) the Company may arrange for such number of the Common Shares to be sold as it deems necessary or advisable to raise an amount at least equal to its determination of such applicable taxes, with such amount being withheld by the Company; or
 - (b) the Company may elect to settle for cash such number of RSUs as it deems necessary or advisable to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company; or

- (c) the Company may, as a condition of settlement in the form of Common Shares, require the Participant to pay the applicable taxes as determined by the Company or make such other arrangement acceptable to the Company in its discretion (if at all) as it deems necessary or advisable.
- (3) Subject to the terms of the Plan, as soon as practicable after receipt of any of the amount, undertaking or election listed in Section 4.3(2), the Company will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Participant a certificate or certificates in the name of the Participant or a statement of account, at the discretion of the Company, representing in the aggregate Common Shares issued to the Participant.
- (4) Notwithstanding any other provision of the Plan:
 - (a) no RSU shall be capable of settlement after the Expiry Date, provided, however, that if the Expiry Date in respect of an RSU falls on a date upon which such Participant is prohibited from exercising such RSU due to a Black-Out Period or other trading restriction imposed by the Company, then the Expiry Date of such RSU shall be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Company is lifted, terminated or removed. The foregoing extension applies to all RSUs regardless of the Grant Date and shall not be considered an extension of the term thereof as otherwise referred to in the Plan. In addition, the Participant acknowledges that such as extension may result in less favourable tax consequences to the Participant than if the RSUs had been settled on the original Expiry Date;
 - (b) the Settlement Period shall be automatically reduced in accordance with Section 4.4 upon the occurrence of any of the events referred to therein; and
 - (c) no RSU in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be settled until such time as such RSU has been so approved.

Section 4.4 Termination of Service

- (1) Except as otherwise determined by the Board:
 - (a) all RSUs held by the Participant (whether vested or unvested) shall terminate automatically on the Termination Date for any reason other than as set forth in paragraph (b) and (c) below;
 - (b) in the case of a termination of the Participant's service by reason of (A) termination by the Company or any subsidiary of the Company other than for Cause, or (B) the Participant's death or Disability, the Participant's unvested RSUs shall vest automatically as of such date, and on the earlier of the original Expiry Date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or their executor or administrator, or the person or persons to whom the Participant's RSUs are transferred by will or the applicable laws of descent and distribution) will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;
 - (c) in the case of a termination of the Participant's services by reason of voluntary resignation,

only the Participant's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;

- (d) for greater certainty, where a Participant's employment, term of office or other engagement with the Company terminates by reason of termination by the Company or any subsidiary of the Company for Cause then any RSUs held by the Participant (whether unvested or vested) at the Termination Date, immediately terminate and are cancelled on the Termination Date or at a time as may be determined by the Board, in its discretion;
- (e) a Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the earliest of the date the Participant resigns from or terminates its engagement with the Company or any subsidiary of the Company and the date that the Company or any subsidiary of the Company provides the Participant with written notification that the Participant's employment, term of office or engagement, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date; and
- (f) for the purposes of the Plan, a Participant shall not be deemed to have terminated service or engagement where: (i) the Participant remains in employment or office within or among the Company or any subsidiary of the Company or (ii) the Participant is on a leave of absence approved by the Board.

Section 4.5 Non-transferability of RSUs

- (1) RSUs shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.

ARTICLE 5 – TERMINATION, AMENDMENTS AND ADJUSTMENTS

Section 5.1 Amendment and Termination

- (1) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable law, and subject to any required regulatory approval.
- (2) No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any Participant without the consent of such Participant.
- (3) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan termination shall continue in effect during such time as an RSU or any rights pursuant thereto remain outstanding.
- (4) With the consent of the affected Participant, the Board may amend or modify any outstanding RSU in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which the RSU becomes exercisable, subject to the prior approval of the Stock Exchange where

necessary.

Section 5.2 Change of Control

- (1) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation.
- (2) The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.

Section 5.3 Adjustments

- (1) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Stock Exchange where necessary, appropriate substitution or adjustment in
 - (a) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
 - (b) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the Plan;

provided, however, that no substitution or adjustment shall obligate the Company to issue fractional RSUs or shares. If the Company is reorganized, amalgamated with another company or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

- (2) For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional RSUs, Common Shares or other securities of the Company will be granted to a Participant to compensate the Participant for any downward fluctuations in the Market Price of a Common Share nor will any other form of benefit, cash or otherwise, be conferred upon, or in respect of, a Participant for such a purpose.

ARTICLE 6 – GENERAL

Section 6.1 Effective Date

The Plan shall be effective upon the approval of the Plan by the Board.

Section 6.2 Notice

Any Notice required to be given by this Plan shall be in writing and shall be given by registered mail,

postage prepaid, or delivered by courier or by electronic transmission addressed, if to the Company, to the operations office of the Company in Vancouver, British Columbia, Attention: CFO; or if to a Participant, to such Participant at their address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 6.3 Tax Withholdings

The Company shall be entitled to withhold such number of Common Shares or amount of cash payable to a Participant, either under this Plan or otherwise, or make such other arrangement as are contemplated under Section 4.3(2), as it may deem necessary or advisable so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding or remittance of tax or other relevant amounts. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified under applicable laws as a result of the Participant's participation in the Plan. The Company shall not be responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

Section 6.4 Rights of Participants

No person entitled to settle any RSU granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon settlement of such RSU until such Common Shares have been issued to such person. Subject to Section 4.2 and Section 5.3, no holder of any RSUs shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for Shareholders for which the record date is prior to the date on which Common Shares are issued in satisfaction of a Participant's RSUs.

Section 6.5 Right to Funds

- (1) Neither the establishment of this Plan nor the granting of RSUs under this Plan shall be deemed to create a trust.
- (2) Amounts payable to any Participants under this Plan shall be a general, unsecured obligation of the Company.
- (3) The right of the Participant to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Company.

Section 6.6 Right to Issue Other Shares

The Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

Section 6.7 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the legal representatives of such Participant or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

Section 6.8 Funding of the Plan

The Plan shall be unfunded. No funds will be set aside to guarantee the payment of RSUs, which will remain an unfunded liability recorded on the books of the Company.

Section 6.9 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plan.

Section 6.10 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Section 6.11 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

SCHEDULE “A” – RESTRICTED SHARE UNIT AGREEMENT CERTIFICATE

TO: [Name of Participant] (the “**Participant**”)

Dear ●

Highland Critical Minerals Corp. (the “**Company**”) hereby confirms a grant of restricted share units (“**RSUs**”) described in the table below to the Participant pursuant to the Company’s Restricted Share Unit Plan (the “**RSU Plan**”), as amended from time to time. The RSU Plan is incorporated herein by reference and made a part of this letter agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

Each RSU granted to the Participant named herein represents the right of the Participant to receive one common share in the share capital of the Company (an “**RSU Share**”) or, at the Company’s election, an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price of one RSU Share for each RSU then being settled, on the date(s) or pursuant to the terms specified below. Upon each Vesting Date, the Participant may deliver a written notice in the form attached hereto as Appendix “1” specifying the number of RSUs to be denominated or settled, in the Company’s discretion, in Common Shares or cash.

Provided that no Expiry Date or any Vesting Date is a date that is more than three years from the Grant Date, and subject to any further vesting conditions noted herein or the RSU Plan, the following number of RSUs are awarded with the following Grant Date(s), Expiry Date(s) and Vesting Date(s):

| No. of RSUs | Grant Date | Vesting Date | Expiry Date |
|-------------|------------|--------------|-------------|
| | | | |
| | | | |
| | | | |

[Any additional vesting conditions added here]

The Participant hereby acknowledges and consents that:

1. The Participant has received a copy of the RSU Plan and has read, understands and agrees to be bound by the provisions of the RSU Plan, including provisions relating to the tax treatment, tax withholding obligations and tax reassessment risks that apply or may apply in certain circumstances;
2. The Participant is, under the terms and conditions of the RSU Plan, a bona fide Eligible Person, entitled to receive RSUs under the RSU Plan and Applicable Law;
3. The RSUs granted hereunder shall vest, be redeemed and terminate in accordance with the provisions set out in this Agreement and the provisions of the RSU Plan;
4. RSU Shares will be subject to restrictions on disposition for a period of four (4) months from the Grant Date and, if issued before the date that is four (4) months after the Grant Date, will be legended accordingly and, in any event, will comply with the restrictions on

disposition of Applicable Securities Laws and Stock Exchange Policy;

5. If the Participant is, or becomes, a resident of the United States of America, the Participant will (and it shall be a condition of the redemption of the Participant's RSUs) that the Participant will execute such additional certificate of representation that may be reasonably required by the Company; and
6. The Participant acknowledges and consents to the Company collecting the Participant's personal information for the purposes of this Certificate; retaining the personal information for as long as permitted or required by Applicable Law or business practices; and providing to various governmental and regulatory authorities, as may be required by Applicable Securities Laws, Stock Exchange rules, including Stock Exchange Policy, and the rules of the Investment Industry Regulatory Organization of Canada (IIROC) or to give effect to this agreement any personal information provided by the Participant.

DATED _____, 20____.

HIGHLAND CRITICAL MINERALS CORP.

Per: _____ Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the RSU Plan, agrees to be bound by the provisions thereof and agrees that the RSU Plan will be effective as an agreement between the Company and the undersigned with respect to the RSUs granted or otherwise issued to the undersigned.

DATED _____, 20____.

Participant's Signature

Name of Participant (print)

[OR]

[NAME OF COMPANY PARTICIPANT]

By:

Authorized Signatory

Name of Authorized Signatory

APPENDIX "1" RSU NOTICE FORM

To: The Board of Directors of Highland Critical Minerals Corp. (the "Company")

1. The undersigned (the "**Participant**"), being the holder of restricted share units ("**RSUs**") of the Company pursuant to the RSU plan of the Company (the "**RSU Plan**"), hereby elects, in accordance with and subject to the RSU Plan and the Certificate granting the RSUs to the Participant, to acquire
_____common shares in the capital of the Company (each, an "**RSU Share**") on a basis of, and at the Company's election, either: (a) one (1) RSU Share for each vested RSU held by the RSU Holder, or (b) an amount in cash, net of applicable taxes, equal to the Market Price of one RSU Share for each vested RSU.
2. The Participant acknowledges and agrees that the issuance of the RSU Shares, if applicable, is subject to the terms and conditions of the Certificate representing the RSUs and the RSU Plan.
3. If the Company elects to denominate or settle the RSUs on the basis of RSU Shares, the Participant directs the Company to register and deliver certificates or DRS Statements evidencing the RSU Shares as follows:

4. If the Company elects to denominate or settle the RSUs on the basis of cash, the Participant directs the Company to issue and deliver a cheque as follows in respect of the portion of the RSU Shares settled in cash:

All capitalized terms not defined herein shall have the meanings attributable to such terms as in the RSU Plan.

DATED the _____ day of _____, 20____.

Signature of Witness

Signature of Participant

Name of Witness (please print)

Name of Participant (please print)

SCHEDULE "B" COMPLIANCE CERTIFICATE

Highland Critical Minerals Corp. (the "**Company**") has granted or proposes to grant to _____ (the "**Recipient**") a total of _____ restricted share units ("**RSUs**") pursuant to the Company's Restricted Share Unit Plan (the "**RSU Plan**"), as amended from time to time. The RSU Plan is incorporated herein by reference and made a part of this compliance certificate. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

In connection with such grant, the Company confirms that, for the purposes of NI 45-106, either of the following apply:

(a) ___ The Recipient is not one of the following (a "**Specified Recipient**"): an investor relations person of the Company, an associated consultant of the Company, an executive officer of the Company, a director of the Company, or a permitted assign of those persons; or

(b) ___ if the Recipient is a Specified Recipient, after the grant, the number of Common Shares, calculated on a fully diluted basis,

(i) reserved for issuance under stock options of the Company granted to (A) related persons does not exceed 20% of the outstanding shares of the Company, and (B) a related person does not exceed 5% of the outstanding shares of the Company; and

(ii) issued within 12 months to (A) related persons does not exceed 20% of the outstanding shares of the Company, and (B) a related person and the associates of the related person does not exceed 5% of the outstanding shares of the Company.

Dated _____ 20__.

HIGHLAND CRITICAL MINERALS CORP.

Authorized Signatory

SCHEDULE "B" - OPTION PLAN
[See attached.]

HIGHLAND CRITICAL MINERALS CORP.

STOCK OPTION PLAN

DATED: JANUARY 31, 2024.

Approved by the board of directors effective on January 30, 2024.

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STOCK OPTION PLAN

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) **“Administrator”** means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) **“Associate”** means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) **“Black-Out”** means a restriction imposed by the Company on all or any of its directors, officers, Employees, Insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) **“Board”** means the board of directors of the Company.
- (e) **“Change of Control”** means an occurrence when either:
 - (i) a Person, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.

- (f) **“Committee”** means a committee of the Board to which the responsibility of approving the grant of Options has been delegated, or if no such committee is appointed, the Board itself.
- (g) **“Company”** means Highland Critical Minerals Corp.;
- (h) **“Consultant”** means an individual who:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
 - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (i) a corporation of which the individual is an Employee or shareholder or a partnership of which the individual is an Employee or partner (a **“Consultant Entity”**); or
 - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) **“CSE”** means the Canadian Securities Exchange.
- (j) **“Disability”** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company or any Subsidiary employing or engaging the Person, that the Committee, acting reasonably, determines constitutes a disability.
- (k) **“Employee”** means:

- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an Employee or as an equivalent thereto; or
- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an Employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) **“Exchange”** means the stock exchange upon which the Company’s shares principally trade.
- (m) **“Executive”** means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (n) **“Exercise Notice”** means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.
- (o) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has Vested pursuant to the terms and conditions of this Plan and any additional terms and conditions imposed by the Committee, and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (p) **“Exercise Price”** means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (q) **“Expiry Date”** means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.

- (r) **“Expiry Time”** means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (s) **“Grant Date”** means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (t) **“Insider”** means an insider as that term is defined in the *Securities Act*.
- (u) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws;
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.
- (v) **“Market Value”** means the market value of the Shares as determined in accordance with section 5.3.

- (w) “**NI 45-106**” means National Instrument 45-106—*Prospectus Exemptions*.
- (x) “**Option**” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (y) “**Option Certificate**” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (z) “**Option Holder**” means a Person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (aa) “**Outstanding Issue**” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (bb) “**Person**” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person.
- (cc) “**Personal Representative**” means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (dd) “**Plan**” means this stock option plan as from time to time amended.
- (ee) “**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (ff) “**Regulatory Authorities**” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (gg) “**Regulatory Rules**” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.

- (hh) “**Related Entity**” means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
- (i) ownership of or direction over voting securities in the second Person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second Person, or
 - (iv) being a trustee of the second Person.
- (ii) “**Related Person**” means:
- (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (jj) “**Securities Act**” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (kk) “**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (ll) “**Subsidiary**” means a wholly-owned or controlled subsidiary corporation of the Company.
- (mm) “**Triggering Event**” means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons;

- (iv) a proposed Change of Control of the Company;
 - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (nn) “**Vest**”, “**Vesting**” or “**Vested**” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

SECTION 2 GRANT OF OPTIONS

2.1 **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons and on such terms and conditions as are permitted under this Plan.

2.2 **Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;

- (e) the Vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

2.3 **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

2.4 **Hold Period**

Pursuant to the policies of the Exchange, where a hold period is applicable, the Option Certificate will include a legend stipulating that the Option is and the Shares upon the exercise of the Option are subject to a four-month hold period commencing on the date of distribution of the Option.

SECTION 3 PURPOSE AND PARTICIPATION

3.1 **Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

3.2 **Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

3.3 **Limits on Option Grants**

The Company shall only grant Options under this Plan in accordance with Section 10 hereof and, for greater certainty, may not grant any Options under this Plan unless an exemption under NI 45-106 is available. For so long as the Company is not a reporting issuer or is otherwise a reporting issuer but listed on the CSE, Section 2.24 of NI 45-106 shall not apply to the Plan and all Options granted thereunder to any Employees or Consultants who are engaged in Investor Relations

Activities for the Company, any associated Consultant, any executive officer of the Company, any director of the Company or any permitted assign of those Persons if, after the grant:

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
 - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
 - (ii) a Related Person, exceeds 5% of the outstanding securities of the Company, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
 - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
 - (ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company;

unless the Company obtains security holder approval in accordance with the Regulatory Rules, including the requirements under NI 45-106.

3.4 **Limits on Option Grants for Investor Relations Activities**

The maximum number of Options which may be granted within an 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

3.5 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

3.6 **Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

3.7 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that

is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

3.8 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

3.9 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

3.10 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

3.11 **Representation**

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

SECTION 4
NUMBER OF SHARES UNDER PLAN

4.1 **Committee to Approve Issuance of Shares**

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

4.2 **Number of Shares**

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan, plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

4.3 **Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

SECTION 5 TERMS AND CONDITIONS OF OPTIONS

5.1 **Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

5.2 **Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

5.3 **Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. Notwithstanding the foregoing, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) if the Company's Shares are listed on the CSE, and the Committee determines the CSE to be the Company's primary Exchange, Market Value will be the greater of the closing trading price of the Shares on (i) the trading day prior to the Grant Date and (ii) the Grant Date;
- (b) subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on

the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;

- (c) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (d) subject to subparagraph (a), if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (e) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

5.4 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4 or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
 - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary;
or

(iii) an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

(b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

(i) termination for cause;

(ii) resigning his or her position; or

(iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

5.5 Vesting of Option and Acceleration

The Vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the Vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

5.6 Additional Terms

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be

subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 Non-transferable

Except as provided otherwise in this Section 6, Options are non-assignable and non-transferable.

6.2 Death of Option Holder

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

6.3 Disability of Option Holder

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

6.4 Disability and Death of Option Holder

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

6.5 **Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to Vest in accordance with any Vesting schedule to which such Options are subject.

6.6 **Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

SECTION 7 EXERCISE OF OPTION

7.1 **Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, or by written notice in the case of uncertificated Shares, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

7.2 **Black Out Period**

If an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.4(a) or section 5.4(b) above) within or immediately after a Black-Out, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black-Out; provided, that, the expiration date as extended by this section 7.2 will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

7.3 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 7.1 and payment in full for the Optioned Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or at the election of the Option Holder, on an uncertificated basis pursuant to the

instructions given by the Option Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Shares.

7.4 **No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

7.5 **Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

SECTION 8 ADMINISTRATION

8.1 **Board or Committee**

The Plan shall be administered by the Administrator with oversight by the Committee.

8.2 **Powers of Committee**

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;

- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and Vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
 - (iv) determine when Options shall be granted; and
 - (v) determine the number of Shares subject to each Option;
- (h) accelerate the Vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.3 **Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

8.4 **Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the

Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

SECTION 9 APPROVALS AND AMENDMENT

9.1 Shareholder Approval of Plan

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

9.2 Amendment of Option or Plan

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the Option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

10.1 Compliance with Laws

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

10.2 Regulatory Approvals

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the

necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

10.3 Inability to Obtain Regulatory Approvals

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

SECTION 11 ADJUSTMENTS AND TERMINATION

11.1 Termination of Plan

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this Section 11, the Plan shall terminate on, and no more Options shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.

11.2 No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

11.3 Alteration in Capital Structure

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to

such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

11.4 **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such Exercise Price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

11.5 **Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the Vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent Vesting provision to which such Options may have otherwise been subject. Furthermore, if any of the Options granted under this Plan are cancelled prior to their Expiry Date, the Company shall not grant new Options to the same Persons or Entities until thirty (30) days have lapsed from the date of cancellation.

11.6 **Determinations to be Made By Committee**

Adjustments and determinations under this Section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

[Include legends prescribed by Regulatory Authorities, if required.]

HIGHLAND CRITICAL MINERALS CORP.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of HIGHLAND CRITICAL MINERALS CORP. (the “**Company**”) and evidences that ● [Name of Option Holder] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● common shares (the “**Shares**”) in the capital stock of the Company at a purchase price of Cdn.\$ ● per Share (the “**Exercise Price**”). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Vancouver, British Columbia (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is ●; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is ●, 20●.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, or written notice in the case of uncertificated Shares, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends on the certificate or the written notice in the case of uncertificated shares prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented hereby have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States. The holder hereof, by purchasing such securities, agrees for the benefit of the Company that such securities may be offered, sold or otherwise transferred only (a) to the Company; (b) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act; (c) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws; or (d) in a transaction that does not require registration under the U.S. Securities Act and any applicable state securities laws, and, in the case of paragraph (c) or (d), the seller furnishes to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.

The presence of this legend may impair the ability of the holder hereof to effect “good delivery” of the securities represented hereby on a Canadian stock exchange.”

HIGHLAND CRITICAL MINERALS CORP.
by its authorized signatory:

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Date signed:

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) ● Shares (●%) will vest and be exercisable on or after the Grant Date;
 - (b) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (c) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (d) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.4(a) or 5.4(b) of the Plan, the Expiry Date of the Option shall be ● **[Insert date desired that is longer or shorter than the standard 30 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

SCHEDULE B

HIGHLAND CRITICAL MINERALS CORP.

STOCK OPTION PLAN

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan

●

● [Address]

(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the “**Plan**”) of HIGHLAND CRITICAL MINERALS CORP. the “**Company**”), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

(a) all of the Shares; or

(b) of the Shares;

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**). The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to the Company or to ● in an amount equal to the aggregate Exercise Price of the aforesaid Shares and directs the Company to issue a certificate OR a written notice in the case of uncertificated Shares evidencing said Shares in the name of the undersigned to be issued to the undersigned [in the case of issuance of a share certificate, at the following address (**provide full complete address**)]:

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 4:00 p.m. local time in Vancouver, BC on the Expiry Date of the Option.

DATED the day ____ of _____, 20__.

Signature of Option Holder

SCHEDULE “C” – ARRANGEMENT RESOLUTION
[*See attached.*]

BE IT RESOLVED, as a Special Resolution, THAT:

1. The arrangement, as it may be or has been amended (the "Arrangement") under section 288 of the Business Corporations Act (British Columbia), as more particularly described and set forth in the management information circular (the "Circular") of Highland Critical Minerals Corp. ("Highland") dated October 27, 2025 involving Highland, its securityholders and Highland Red Lake Gold Corp. ("Highland Red Lake") is hereby authorized, approved and adopted.

2. The plan of arrangement, as it may be or has been amended (the "Plan of Arrangement"), involving Highland, its securityholders and Highland Red Lake, the full text of which is set out in Schedule "F" to the Circular, is hereby authorized, approved and adopted

3. The arrangement agreement dated August 19, 2025 (the "Arrangement Agreement") between Highland and Highland Red Lake, and all the transactions contemplated therein, the actions of the directors of Highland in approving the Arrangement and the actions of the officers and directors of Highland in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Shareholders of Highland or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Highland are hereby authorized and empowered, without further notice to, or approval of, the Shareholders: (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (b) not to proceed with the Arrangement, and

5. Any one director or officer of Highland is hereby authorized, for and on behalf and in the name of Highland, to execute and deliver, whether under corporate seal of Highland or otherwise, all such agreements, forms waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Arrangement in accordance with the terms of the Arrangement Agreement, including, but not limited to:

(a) all actions required to be taken by or on behalf of Highland, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

(b) the signing of the certificates, consents, Notice(s) of Alteration and all other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Highland; such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE “D” – HIGHLAND RED LAKE FINANCIAL STATEMENTS
[See attached.]

Highland Red Lake Gold Corp.

Financial Statements

For the period from July 8, 2025 (Date of Incorporation) to August 31, 2025

To the Shareholders of Highland Red Lake Gold Corp.:

Opinion

We have audited the financial statements of Highland Red Lake Gold Corp. (the "Company"), which comprise the statement of financial position as at August 31, 2025, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from July 8, 2025 (date of incorporation) to August 31, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2025, and its financial performance and its cash flows for the period from July 8, 2025 (date of incorporation) to August 31, 2025 in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the period from July 8, 2025 (date of incorporation) to August 31, 2025 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mississauga, Ontario

October 27, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

**HIGHLAND RED LAKE GOLD CORP.
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2025
(Expressed in Canadian Dollars)**

As at
August 31, 2025

ASSETS

Current assets

| | | |
|-----------------------------|----|---------------|
| Cash | \$ | 61,500 |
| Deposits | | <u>5,573</u> |
| Total current assets | | 67,073 |

| | | |
|--|-----------|----------------|
| Receivable from Highland Critical Minerals Corp. (notes 7 and 9) | | <u>83,640</u> |
| Total Assets | \$ | 150,713 |

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

| | | |
|---|----|--------------|
| Amounts payable and accrued liabilities | \$ | <u>6,542</u> |
|---|----|--------------|

Shareholders' Equity

| | |
|------------------------------|-----------------|
| Share capital (note 7) | 63,549 |
| Contributed surplus (note 7) | 125,451 |
| Accumulated deficit | <u>(44,829)</u> |

| | |
|---|-------------------|
| Total shareholders' equity | 144,171 |
| Total shareholders' equity and liabilities | \$ 150,713 |

Nature of operations and going concern (note 1)

Subsequent event (note 13)

See accompanying notes to the financial statements

Approved by the Board:

Edward Yew (signed), Director

Brian Morales (signed), Director

HIGHLAND RED LAKE GOLD CORP.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIOD FROM JULY 8, 2025 (DATE OF INCORPORATION) TO AUGUST 31, 2025
(Expressed in Canadian Dollars)

| From July 8 to August 31, | |
|--|------------------|
| 2025 | |
| Operating expenses | |
| Exploration and evaluation (note 4) | 36,027 |
| Professional fees | 8,802 |
| Net loss | (44,829) |
| Net loss and comprehensive loss | (44,829) |
| Basic and diluted loss per share | \$ (0.00) |
| Weighted average number of common | |
| shares outstanding (Note 8) | 9,629,630 |

See accompanying notes to the financial statements

HIGHLAND RED LAKE GOLD CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM JULY 8, 2025 (DATE OF INCORPORATION) TO AUGUST 31, 2025
(Expressed in Canadian Dollars)

| | Share capital | | Contributed surplus | Accumulated deficit | Total |
|--|---------------|-----------|---------------------|---------------------|------------|
| | Shares | \$ | | | |
| Balance, July 8, 2025 | - | - | - | - | - |
| Issuance of shares to corporate parent | 5,500,000 | 27,500 | - | - | 27,500 |
| Issuance of units to corporate parent | 5,000,000 | 15,862 | 84,138 | - | 100,000 |
| Issuance of units | 2,050,000 | 20,187 | 41,313 | - | 61,500 |
| Net loss | - | - | - | (44,829) | (44,829) |
| Balance, June 30, 2025 | 12,550,000 | \$ 63,549 | \$ 125,451 | \$ (44,829) | \$ 144,171 |

See accompanying notes to the financial statements

HIGHLAND RED LAKE GOLD CORP.
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025
(Expressed in Canadian Dollars)

For the period from July 8 to August 31,
2025

Operating activities

| | | |
|---------------------------------|----|----------|
| Net loss | \$ | (44,829) |
| Adjustments for non-cash items: | | |

Non-cash working capital items:

| | | |
|---|--|---------|
| Deposits | | (5,573) |
| Amounts payable and accrued liabilities | | 6,542 |

| | | |
|--|--|-----------------|
| Net cash used in operating activities | | (43,860) |
|--|--|-----------------|

Financing activities

| | | |
|---|--|----------------|
| Issuance of units | | 61,500 |
| Net funding from Highland Critical Minerals Corp. | | 43,860 |
| Net cash from financing activities | | 105,360 |

| | | |
|--------------------|--|--------|
| Net change in cash | | 61,500 |
|--------------------|--|--------|

| | | |
|---------------------------|--|---|
| Cash, beginning of period | | - |
|---------------------------|--|---|

| | | |
|---------------------|----|--------|
| Cash, end of period | \$ | 61,500 |
|---------------------|----|--------|

See accompanying notes to the financial statements

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
For the period from July 8, 2025 (date of incorporation) to August 31, 2025
(Presented in Canadian dollars except per share amounts)

NOTE 1 — NATURE OF OPERATIONS AND GOING CONCERN

Highland Red Lake Gold Corp. (the “Company” or “Red Lake”) was incorporated under the laws of British Columbia Canada on July 8, 2025. The Company is party to an option agreement to potential acquire certain claims in the Red Lake district of Northern Ontario, Canada, further described below. The Company is a subsidiary of Highland Critical Minerals Corp. The head office of the Company is 1 Adelaide St E, Suite 801, Toronto, Ontario, M5C 2V9.

These financial statements represent the operations of Red Lake from the date of incorporation to August 31, 2025. The purpose of these financial statements is to provide general purpose historical financial information of Red Lake either fully, or partially, where only specifically identifiable assets and liabilities are included, and allocations shared income and expenses of Highland Critical Minerals Corp. are attributable to the Company.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the period from July 8, 2025 (date of incorporation) and August 31, 2025, the Company incurred a net loss of \$44,829 and had an accumulated deficit. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. The Company’s ability to continue its operations may be dependent upon support from its owners. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

NOTE 2 — BASIS OF PRESENTATION

Statement of Compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and IFRIC® Interpretations of the IFRS Interpretations Committee.

These financial statements were approved by the Board of Directors of October 27, 2025.

Basis of Presentation

The basis of preparation for the statements of financial position, loss and comprehensive loss, cash flows and changes in shareholders’ equity of the Company have been applied. The financial statements have been extracted from historical accounting records with estimates used, when necessary, for certain allocations.

The statement of financial position reflect the assets and liabilities recorded by management which have been assigned to the Company on the basis that they are specifically identifiable and attributable to the Company.

The statement of loss and comprehensive loss included a pro-rata allocation of the shareholders’ expenses incurred in the period presented based on among other things, the percentage of general and administrative costs specifically identifiable activities attributable to the Company. The percentages are considered reasonable under the circumstances.

The financial statements are presented in Canadian dollars unless otherwise noted.

Management cautions readers of these financial statements that the allocation of expenses in the statement of loss and comprehensive loss do not necessarily reflect the nature and level of the Company’s future income and operating expenses.

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
For the period from July 8, 2025 (date of incorporation) to August 31, 2025
(Presented in Canadian dollars except per share amounts)

NOTE 3 – MATERIAL ACCOUNTING POLICIES

Basis of measurement:

These financial statements have been prepared on a going concern basis, under the historical cost convention, and have been prepared using the accrual basis of accounting except for cash flow information.

Financial instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVTOCI”) or amortized cost. The management determines the classification of financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss).

Amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest.

Impairment of financial assets at amortized cost

A loss allowance is recognized for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve months expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or management has opted to measure at FVTPL. The Company presents accounts payable and accrued liabilities at amortized cost.

Exploration and Evaluation

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
For the period from July 8, 2025 (date of incorporation) to August 31, 2025
(Presented in Canadian dollars except per share amounts)

Pre-exploration and exploration costs are expensed in the period in which they are incurred.

When a property has been established as commercially viable and technically feasible, related development costs are capitalized into development costs. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

Income taxes

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income/loss, in which case the income tax is recognized in equity or other comprehensive income/loss. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Restoration and environmental obligations

Liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets are recognized when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The Company currently has no measurable obligations for restoration and environmental costs.

Share-based compensation

The Company benefits from Highland Critical Minerals Corp.'s restricted share unit ("RSU") plan which allows directors, officers, employees and consultants to acquire shares of Highland Critical Minerals Corp. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of the RSUs is measured on the date of grant, using the Highland Critical Mineral Corp.'s share price and expensed over the vesting period.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Application of new and revised standards

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
For the period from July 8, 2025 (date of incorporation) to August 31, 2025
(Presented in Canadian dollars except per share amounts)

New standards, interpretations and amendments

Management monitors guidance for new standards, interpretations and amendments, which have been applied in these financial statements.

Disclosures of accounting policies (Amendments to IAS 1)

The IASB has published Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) to guide companies in applying materiality judgments to accounting policies disclosures.

The amendments:

- i. Require companies to disclose their material accounting policies rather than their significant accounting policies; and
- ii. With the corresponding amendments to IFRS Practice Statement 2, provide further guidance and examples on how to apply the materiality process to identify material accounting policy information that should be disclosed compared to policies that do not.

This amendment is effective for annual periods beginning on or after January 1, 2023, and is to be applied prospectively. This standard did not have a significant impact on the financial statements and its respective disclosures.

Future standards not yet adopted

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. Management does not expect the adoption of this new amendment to have a significant impact on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which replaces IAS 1 Presentation of Financial Statements.

IFRS 18 introduces:

- i. New requirements on presentation within the statement of profit or loss;
- ii. Disclosure standards regarding management defined performance measures; and
- iii. Principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 is to be applied retrospectively. The Company is currently assessing the impact that IFRS 18 will have on these financial statements.

Critical judgments in applying accounting policies:

The preparation of these 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 financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
For the period from July 8, 2025 (date of incorporation) to August 31, 2025
(Presented in Canadian dollars except per share amounts)

estimates 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. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Significant judgements, estimates and assumptions:

Valuation of contributed surplus

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

NOTE 4 — EVALUATION AND EXPLORATION EXPENDITURES

Option Agreement

On July 10, 2025 (the “Effective Date”), the Company entered into a property option agreement (the “Option Agreement”) effective July 10, 2025 with a third party (the “Optionor”). Under the Option Agreement, the Optionor has granted the Optionee the exclusive right to earn a 100% interest in mining claims on a property comprising approximately 3,366 hectares (the “Initial Option”), as well as a secondary option to earn a 100% interest in an adjacent 3,090-hectare property (the “2nd Option”, and together with the Initial Option, the “Options”). The properties are prospective for greenstone extensions along a deep-tapping regional structure located in the northwestern extension of the prolific Red Lake Gold Camp (the “Properties”). The Options are subject to consideration and work commitments as set out in the Option Agreement.

Option Terms

In accordance with the terms of the Option Agreement, the Optionee can earn a 100% interest in each of the Properties, subject to underlying 2.0% net smelter return royalties (“NSR Royalties”) on either one of the Properties if the Optionee exercises either one of the Options. As well, after the exercise of either one of the Options, and prior to the commencement of commercial production in respect of any of the Properties, the Optionee will have the right to repurchase half of the NSR Royalty from the Optionor for \$800,000 and thereby reduce the rate of the royalty payable from 2.0% to 1.0%.

As consideration for the grant of the Options, the Optionee shall pay the Optionor the following cash payments:

1. the sum of \$7,500 payable within 5 days of the Effective Date (the “Initial Cash Payment”); and
2. the sum of \$5,000 payable within 5 days of receipt by the Optionee as consideration for a recommended exploration and development report authored by the Optionor.

To exercise either one of the Options, the Optionee must make the following cash payments to the Optionor:

1. \$80,000 to be paid within 15 months from Effective Date of which, and at the election of the Optionee, up to 25% of such payment may be made in the form of Class A Voting Common Shares in the capital of the Optionee (“Class A Shares”); and
2. \$80,000 to be paid within 24 months from Effective Date of which, and at the election of the Optionee, up to 25% of such payment may be made in the form of Class A Shares.

If the Optionee pays the payments to the Optionor in the form of both cash and Class A Shares, then

1. if the Class A Shares are then listed on the Canadian Securities Exchange (“CSE”), then the price per Class A Share will be determined with the number of Class A Share being based on a per share deemed issue price

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
For the period from July 8, 2025 (date of incorporation) to August 31, 2025
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- equal to the 15 day volume-weighted average price of the shares for the period of any twenty (20) consecutive trading days on the CSE ending on the date that is two business days prior to the date of issuance of the additional Class A Shares, subject to a minimum price equal to the lowest price permitted by the CSE; and
2. if the Class A Shares are not then listed on the CSE, then the price per share will be determined based on the issue price in the Optionee's most recent financing of Class A Shares (together with the Initial Cash Payment, the "Cash Payments").

Further, the Optionee shall perform a minimum of \$60,000 of Qualifying Expenditures (as that term is described by the applicable securities regulators) (the "Qualified Expenditures") on the Property described in Schedule A of the Option Agreement on or before January 21, 2026 (the "Initial Work Commitment"). In the event that the entire Initial Work Commitment is not expended by January 21, 2026, the difference between the actual spend and the \$60,000 will be owed to the Optionor by the Optionee and the applicable Option will then terminate.

The 2nd Option is exercisable anytime within 24 months of the Effective Date, subject to the reservation of the NSR Royalty.

A breakdown of the Company's exploration and evaluation expenditures from the date of incorporation to August 31, 2025, is noted in the table below.

| | |
|----------------|---------------|
| Field Services | 26,287 |
| Reports | 1,830 |
| Rental | 7,910 |
| | <u>36,027</u> |

NOTE 5— CAPITAL MANAGEMENT

The Company considers its capital to be equity, which comprises share capital, warrant and option reserve, if any and accumulated deficit. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and actively makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting discretionary spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. As discussed on Note 1, the Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. As noted previously the Company does not have any operations and only incurs administrative costs. If in the event the Company secures an operating asset by way of a transaction, additional funds will be required.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its planned expenditures. Selected information is provided to the Board of Directors of the Company.

The Company is not subject to any capital requirements imposed by a lending institution.

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
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(Presented in Canadian dollars except per share amounts)

NOTE 6 — FINANCIAL RISK MANAGEMENT

The Company has exposure to liquidity risk, interest rate risk, credit risk and fair value risk. The Company's risk management objective is to protect cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Company's risks and the related exposures are consistent with the business objectives and risk tolerance.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity by ensuring that there is sufficient capital to meet short and long-term business requirements, after taking into account cash flows for administration expenses from operations and the Company's holdings of cash. The Company also strives to maintain sufficient financial liquidity at all times in order to participate in investment opportunities as they arise, as well as to withstand sudden adverse changes in economic circumstances. Other than cash on hand, the Company has no ability to fund its working capital obligations.

Management forecasts cash flows for its current and subsequent fiscal years to predict future financing requirements. Future requirements may be met through a combination of credit and access to capital markets. At August 31, 2025, the Company has cash of \$61,500 to settle current liabilities of \$6,542.

Amounts payable and accrued liabilities are expected to be settled in the next nine months.

Credit risk: Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at August 31, 2025, the Company's credit risk is primarily attributable to cash. At August 31, 2025, all of the Company's cash was held with a Canadian chartered bank.

Interest Rate Risk: Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company has no exposure to interest rate risk.

Fair Values: The Company's amounts payable and accrued liabilities had fair values which approximate their carrying values due to their short term maturities.

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborate by observable market data or other means. Level 3 inputs are unobservable. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company only classified cash as FVTPL, which is measured using Level 1 inputs.

NOTE 7 — SHARE CAPITAL AND WARRANTS

Authorized share capital

The authorized share capital consisted of an unlimited number of class A, B and C common shares. The common shares do not have a par value.

On July 7, 2025, Highland Critical Minerals Corp. subscribed for 5,500,000 class a common shares at a price per share of \$0.005 for total gross proceeds of \$27,500.

On July 10, 2025, Highland Critical Minerals Corp. subscribed for 2,500,000 units at a price per share of \$0.02 for total gross proceeds of \$50,000. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.02 per warrant, for five years from the date of issuance. The warrants were valued using the black scholes valuation method with the following assumptions: a share price of \$0.02, an estimated life of 5 years, a volatility of 120%, and a risk

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(Presented in Canadian dollars except per share amounts)

free rate of 4.95%. As a result, upon issuance of the units, \$42,069 was recorded in contributed surplus.

On August 1, 2025, Highland Critical Minerals Corp. subscribed for 2,500,000 units at a price per share of \$0.02 for total gross proceeds of \$50,000. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.02 per warrant, for five years from the date of issuance. The warrants were valued using the black scholes valuation method with the following assumptions: a share price of \$0.02, an estimated life of 5 years, a volatility of 120%, and a risk free rate of 4.95%. As a result, upon issuance of the units, \$42,069 was recorded in contributed surplus.

On August 22, 2025, two arm's length third parties equally subscribed for 2,050,000 units each, at a price per share of \$0.03 for total gross proceeds of \$61,500. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.15 per warrant, for five years from the date of issuance. The warrants were valued using the black scholes valuation method with the following assumptions: a share price of \$0.02, an estimated life of 5 years, a volatility of 120%, and a risk free rate of 4.95%. As a result, upon issuance of the units, \$41,313 was recorded in contributed surplus.

The Company currently has 7,050,000 common class A share purchase warrants outstanding.

| Expiry date | Amount | Exercise price per warrant (\$) | Remaining life (years) |
|-----------------|-----------|---------------------------------|------------------------|
| July 10, 2030 | 2,500,000 | 0.02 | 9.86 |
| August 1, 2030 | 2,500,000 | 0.02 | 9.92 |
| August 22, 2030 | 2,050,000 | 0.15 | 9.98 |
| | 7,050,000 | | 9.92 |

NOTE 8 — NET LOSS PER SHARE

For the calculation of basic and diluted loss per share shares outstanding for the period from July 8, 2025 to August 31, 2025, the weighted average number of common shares outstanding was 9,629,630.

The Company did not have any dilutive instruments for the period from July 8, 2025 to August 31, 2025.

NOTE 9 — RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company recognized \$2,260 in professional fees to Directors and Officers of the Company for the period from July 8, 2025 to August 31, 2025.

The Company has a receivable from its corporate parent, Highland Critical Minerals Corp.

NOTE 10 — INCOME TAXES

The reconciliation of the combined Canadian and provincial statutory income tax rates of 26.5% is as follows;

| | Period for July 8, 2025 to August 31, 2025 |
|--------------------------------------|--|
| Net loss before income taxes | \$ (44,829) |
| Expected income tax recovery | 11,880 |
| Change in tax benefit not recognized | (11,880) |
| Income tax expense | - |

HIGHLAND RED LAKE GOLD CORP.
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(Presented in Canadian dollars except per share amounts)

Unrecognized deferred income tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the difference between the income tax values and the carrying amount of assets and liabilities. Unrecognized deferred tax assets have not been disclosed.

NOTE 11 — SEGMENT INFORMATION

The Company only has one reportable segment. Which was based on the decision of the Chief Operating decision maker considering for such factors as geographical location, quantitative thresholds and managerial structure. As at August 31, 2025, all assets were held in Canada.

NOTE 12 — ARRANGEMENT AGREEMENT

Arrangement Agreement with Highland Critical Minerals Corp.

On August 19, 2025, the Company entered into a definitive arrangement agreement dated August 19, 2025 (the "Agreement") with its parent, Highland Critical Minerals Corp. ("Highland") pursuant to which Highland will distribute its class A common voting shares in the capital of the Company and share purchase warrants of the Company exercisable to acquire the Company's shares at a price of \$0.15 per share for a period of five years from the date of issuance (the "Highland Red Lake Warrants") to securityholders of the Company, pursuant to a statutory plan of arrangement (the "Arrangement"), to be effected under the *Business Corporations Act* (British Columbia) (the "BCBCA").

The Agreement

Pursuant to the Agreement, Highland will convene a meeting of shareholders ("Meeting") and recommend to the holders of class A common shares in the capital of Highland without par value ("Highland Common Shares") to vote in favour of the Arrangement and all other resolutions referred to in the management information circular. Following receipt of shareholder approval for the Arrangement at the Meeting, Highland will complete amendments to its articles whereby: (i) all of the issued and unissued Highland Common Shares shall be renamed (the "Pre-Arrangement Common Shares") and each Pre-Arrangement Common Share shall have two votes attaching to each share; and (ii) create a new class of shares (the "Class A Common Shares") with terms and restrictions identical to those of the Highland Common Shares (the "Article Amendments").

After implementing the Article Amendments, the Arrangement will be completed, whereby: (i) the Pre-Arrangement Common Shares outstanding as of the final record date of the Arrangement (the "Distribution Record Date") shall be exchanged for one Class A Common Share, 0.5 of a Highland Red Lake Share, and 0.5 of a Highland Red Lake Warrant; (ii) restricted share units ("RSU") in the capital of Highland ("Highland RSUs") that have not been exchanged for the underlying Pre-Arrangement Common Shares as of the date the Plan of Arrangement (as defined herein) becomes effective (the "Effective Date") shall receive a RSU to acquire one Class A Common Share and one RSU in the capital of Highland Red Lake to acquire 0.5 of a Highland Red Lake Share and 0.5 of a Highland Red Lake Warrant on the Distribution Record Date; and (iii) each Highland Warrant outstanding as of the Distribution Record Date that has not been exercised for the Pre-Arrangement Common Shares prior to the Effective Date shall receive one Class A Common Share for each Pre-Arrangement Common Share that was issuable upon exercise of the Highland Warrant, and 0.5 of a Highland Red Lake Share and 0.5 of Highland Red Lake Warrant for each Pre-Arrangement Common Share that was issuable upon exercise of the Highland Warrant.

Highland expects that this will result in an aggregate of 15,635,416 Highland Red Lake Shares and 15,635,416 Highland Red Lake Warrants being distributed to the Highland securityholders, and an aggregate of approximately 2,614,584 Highland Red Lake Shares retained by Highland, in each case assuming that the number securities of Highland remain unchanged between today and the Distribution Record Date.

Subject to the approval at the Meeting, the Arrangement will be affected by way of a court approved plan of arrangement ("Plan of Arrangement") under the provisions of the *Business Corporations Act* (British Columbia). Assuming receipt of the requisite approval of the Highland's shareholders and regulatory approvals, the Distribution Record Date was August 26, 2025.

HIGHLAND RED LAKE GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
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(Presented in Canadian dollars except per share amounts)

Closing Conditions

Further information concerning the Plan of Arrangement and the Meeting will be provided in subsequent news releases, and the management information circular of the Company which will be filed on SEDAR+.

Closing of the Arrangement is subject to a number of conditions, including (i) approval of the Highland shareholders at the Meeting; (ii) court approval of the Plan of Arrangement; and (iii) certain other customary conditions as further set out in the Agreement. Securityholders of Highland are cautioned that final details of the Plan of Arrangement are subject to change and that there is no certainty that the Arrangement will be completed as currently proposed or at all.

NOTE 13 — SUBSEQUENT EVENTS

On October 22, 2025, Highland Critical Minerals Corp. subscribed for 135,416 units at a price per share of \$0.03 for total gross proceeds of \$4,062.48. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.15 per warrant, for five years from the date of issuance.

On September 23, 2025, an arm's length third party subscribed for 1,333,333 units each, at a price per share of \$0.03 for total gross proceeds of \$40,000. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.15 per warrant, for five years from the date of issuance.

Highland Red Lake Gold Corp.

Management's Discussion and Analysis

For the period from July 8, 2025 (Date of Incorporation) to August 31, 2025

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025

The following discussion of the results of operations, financial condition and cash flows of Highland Critical Minerals Corp. (the "Company") was prepared as at October 27, 2025, and should be read in conjunction with the Company's the financial statements for the period from July 8, 2025 to August 31, 2025, prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements are available at www.sedar.com. All amounts disclosed are in Canadian dollars unless otherwise stated.

Forward Looking Statements

This Management Discussion and Analysis contains "forward-looking statements" which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company and its projects, capital and operating expenditures, costs and timing of the development of new acquisitions, and requirements for additional capital. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved. Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "Business Environment and Risks". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as at the date of this management discussion and analysis. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements except as required by applicable securities laws.

Going concern and nature of operations

Highland Red Lake Gold Corp. (the "Company" or "Red Lake") was incorporated under the laws of British Columbia Canada on July 8, 2025. The Company is party to an option agreement to potential acquire certain claims in the Red Lake district of Northern Ontario, Canada, further described below. The Company is a subsidiary of Highland Critical Minerals Corp.

The financial statements represent the operations of Red Lake from the date of incorporation to August 31, 2025. The purpose of these financial statements is to provide general purpose historical financial information of Red Lake either fully, or partially, where only specifically identifiable assets and liabilities are included, and allocations shared income and expenses of Highland Critical Minerals Corp. are attributable to the Company.

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations may be dependent upon support from its owners. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

For the period from July 8, 2025 to August 31, 2025

The Company's current exploration program is ongoing. This exploration work has been focused on demonstrating lode gold potential through geological mapping, prospecting and rock sampling, and a drone based airborne magnetic and LiDAR survey. The Company is party to an option agreement to earn a 100% interest in mining claims on a property comprising 3,366 hectares in the Red Lake Gold Camp (the "RLG Claims").

Bayside Geoscience completed a geological mapping and prospecting campaign at the end of August, and a total of 60 grab samples were collected across the RLG Claims. Assay results from this sampling are expected to be received in the calendar fourth quarter of 2025. Rosor Exploration successfully completed a drone-based LiDAR and magnetic survey at the end of September and final results and products are expected to be received in the calendar fourth quarter of 2025 as well. The results of these programs will be incorporated into a plan for future work programs on the RLG Claims.

| | | From July 8 to August 31, 2025 |
|--|-----------|-----------------------------------|
| | | |
| Operating expenses | | |
| Exploration and evaluation (note 4) | | 36,027 |
| Professional fees | | 8,802 |
| Net loss | | (44,829) |
| Net loss and comprehensive loss | | (44,829) |
| Basic and diluted loss per share | \$ | (0.00) |
| Weighted average number of common shares outstanding (Note 8) | | 9,637,963 |

Option Agreement

On July 10, 2025 (the "Effective Date"), the Company entered into a property option agreement (the "Option Agreement") effective July 10, 2025 with a third party (the "Optionor"). Under the Option Agreement, the Optionor has granted the Optionee the exclusive right to earn a 100% interest in mining claims on a property comprising approximately 3,366 hectares (the "Initial Option"), as well as a secondary option to earn a 100% interest in an adjacent 3,090-hectare property (the "2nd Option", and together with the Initial Option, the "Options"). The properties are prospective for greenstone extensions along a deep-tapping regional structure located in the northwestern extension of the prolific Red Lake Gold Camp (the "Properties"). The Options are subject to consideration and work commitments as set out in the Option Agreement.

Option Terms

In accordance with the terms of the Option Agreement, the Optionee can earn a 100% interest in each of the

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025

Properties, subject to underlying 2.0% net smelter return royalties ("NSR Royalties") on either one of the Properties if the Optionee exercises either one of the Options. As well, after the exercise of either one of the Options, and prior to the commencement of commercial production in respect of any of the Properties, the Optionee will have the right to repurchase half of the NSR Royalty from the Optionor for \$800,000 and thereby reduce the rate of the royalty payable from 2.0% to 1.0%.

As consideration for the grant of the Options, the Optionee shall pay the Optionor the following cash payments:

1. the sum of \$7,500 payable within 5 days of the Effective Date (the "Initial Cash Payment"); and
2. the sum of \$5,000 payable within 5 days of receipt by the Optionee as consideration for a recommended exploration and development report authored by the Optionor.

To exercise either one of the Options, the Optionee must make the following cash payments to the Optionor:

1. \$80,000 to be paid within 15 months from Effective Date of which, and at the election of the Optionee, up to 25% of such payment may be made in the form of Class A Voting Common Shares in the capital of the Optionee ("Class A Shares"); and
2. \$80,000 to be paid within 24 months from Effective Date of which, and at the election of the Optionee, up to 25% of such payment may be made in the form of Class A Shares.

If the Optionee pays the payments to the Optionor in the form of both cash and Class A Shares, then

1. if the Class A Shares are then listed on the Canadian Securities Exchange ("CSE"), then the price per Class A Share will be determined with the number of Class A Share being based on a per share deemed issue price equal to the 15 day volume-weighted average price of the shares for the period of any twenty (20) consecutive trading days on the CSE ending on the date that is two business days prior to the date of issuance of the additional Class A Shares, subject to a minimum price equal to the lowest price permitted by the CSE; and
2. if the Class A Shares are not then listed on the CSE, then the price per share will be determined based on the issue price in the Optionee's most recent financing of Class A Shares (together with the Initial Cash Payment, the "Cash Payments").

Further, the Optionee shall perform a minimum of \$60,000 of Qualifying Expenditures (as that term is described by the applicable securities regulators) (the "Qualified Expenditures") on the Property described in Schedule A of the Option Agreement on or before January 21, 2026 (the "Initial Work Commitment"). In the event that the entire Initial Work Commitment is not expended by January 21, 2026, the difference between the actual spend and the \$60,000 will be owed to the Optionor by the Optionee and the applicable Option will then terminate.

The 2nd Option is exercisable anytime within 24 months of the Effective Date, subject to the reservation of the NSR Royalty.

A breakdown of the Company's exploration and evaluation expenditures from the date of incorporation to August 31, 2025, is noted in the table below.

| | |
|----------------|---------------|
| Field Services | 26,287 |
| Reports | 1,830 |
| Rental | 7,910 |
| | <u>36,027</u> |

Summary of quarterly results

The Company has not completed a full calendar

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025

Liquidity and Capital Resources

As at August 31, 2025, the Company had cash of \$61,500.

The Company's primary source of cash, beyond its own balance sheet, would be potential financing transactions. The Company's primary use of cash include exploration general and administrative costs.

Operating Activities

Cash used by operating activities for the period from July 8, 2025 to August 31, 2025, was \$43,860.

During the period from July 8, 2025 to August 31, 2025, the Company received \$27,500 from Highland Critical Minerals Corp. ("Highland") through the issuance of shares. The Company also received during this time \$100,000 through the issuance of units to Highland. In addition, during the period the Company issued \$61,500 worth of units to arm's length third parties. The Company is owed \$83,640 from Highland.

Capital Resources

The has no outstanding commitments for capital expenditures. Other than cash on hand, the Company has no other ability to fund its working capital obligations.

On July 7, 2025, Highland Critical Minerals Corp. subscribed for 5,500,000 class a common shares at a price per share of \$0.005 for total gross proceeds of \$27,500.

On July 10, 2025, Highland Critical Minerals Corp. subscribed for 2,500,000 units at a price per share of \$0.02 for total gross proceeds of \$50,000. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.02 per warrant, for five years from the date of issuance. The warrants were valued using the black scholes valuation method with the following assumptions: a share price of \$0.02, an estimated life of 5 years, a volatility of 120%, and a risk free rate of 4.95%. As a result, upon issuance of the units, \$42,069 was recorded in contributed surplus.

On August 1, 2025, Highland Critical Minerals Corp. subscribed for 2,500,000 units at a price per share of \$0.02 for total gross proceeds of \$50,000. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.02 per warrant, for five years from the date of issuance. The warrants were valued using the black scholes valuation method with the following assumptions: a share price of \$0.02, an estimated life of 5 years, a volatility of 120%, and a risk free rate of 4.95%. As a result, upon issuance of the units, \$42,069 was recorded in contributed surplus.

On August 22, 2025, two arm's length third parties equally subscribed for 2,050,000 units each, at a price per share of \$0.03 for total gross proceeds of \$61,500. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.15 per warrant, for five years from the date of issuance. The warrants were valued using the black scholes valuation method with the following assumptions: a share price of \$0.02, an estimated life of 5 years, a volatility of 120%, and a risk free rate of 4.95%. As a result, upon issuance of the units, \$41,313 was recorded in contributed surplus.

Outlook

The Company primary source of cash is its existing treasury balance. The Company expects to raise additional funds through the issuance of units or from additional funding from Highland.

On October 22, 2025, Highland Critical Minerals Corp. subscribed for 135,416 units at a price per share of \$0.03 for total gross proceeds of \$4,062.48. Each warrant is exercisable into one class A common share of the Company, at

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
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an exercise price of \$0.15 per warrant, for five years from the date of issuance.

On September 23, 2025, an arm's length third party subscribed for 1,333,333 units each, at a price per share of \$0.03 for total gross proceeds of \$40,000. Each warrant is exercisable into one class A common share of the Company, at an exercise price of \$0.15 per warrant, for five years from the date of issuance.

Arrangement Agreement with Highland Critical Minerals Corp.

Subsequent to June 30, 2025, on August 19, 2025, the Company entered into a definitive arrangement agreement dated August 19, 2025 (the "Agreement") with its parent, Highland pursuant to which Highland will distribute its class A common voting shares in the capital of the Company and share purchase warrants of the Company exercisable to acquire the Company's shares at a price of \$0.15 per share for a period of five years from the date of issuance (the "Highland Red Lake Warrants") to securityholders of the Company, pursuant to a statutory plan of arrangement (the "Arrangement"), to be effected under the *Business Corporations Act* (British Columbia) (the "BCBCA").

The Agreement

Pursuant to the Agreement, Highland will convene a meeting of shareholders ("Meeting") and recommend to the holders of class A common shares in the capital of Highland without par value ("Highland Common Shares") to vote in favour of the Arrangement and all other resolutions referred to in the management information circular. Following receipt of shareholder approval for the Arrangement at the Meeting, Highland will complete amendments to its articles whereby: (i) all of the issued and unissued Highland Common Shares shall be renamed (the "Pre-Arrangement Common Shares") and each Pre-Arrangement Common Share shall have two votes attaching to each share; and (ii) create a new class of shares (the "Class A Common Shares") with terms and restrictions identical to those of the Highland Common Shares (the "Article Amendments").

After implementing the Article Amendments, the Arrangement will be completed, whereby: (i) the Pre-Arrangement Common Shares outstanding as of the final record date of the Arrangement (the "Distribution Record Date") shall be exchanged for one Class A Common Share, 0.5 of a Highland Red Lake Share, and 0.5 of a Highland Red Lake Warrant; (ii) restricted share units ("RSU") in the capital of Highland ("Highland RSUs") that have not been exchanged for the underlying Pre-Arrangement Common Shares as of the date the Plan of Arrangement (as defined herein) becomes effective (the "Effective Date") shall receive a RSU to acquire one Class A Common Share and one RSU in the capital of Highland Red Lake to acquire 0.5 of a Highland Red Lake Share and 0.5 of a Highland Red Lake Warrant on the Distribution Record Date; and (iii) each Highland Warrant outstanding as of the Distribution Record Date that has not been exercised for the Pre-Arrangement Common Shares prior to the Effective Date shall receive one Class A Common Share for each Pre-Arrangement Common Share that was issuable upon exercise of the Highland Warrant, and 0.5 of a Highland Red Lake Share and 0.5 of Highland Red Lake Warrant for each Pre-Arrangement Common Share that was issuable upon exercise of the Highland Warrant.

Highland expects that this will result in an aggregate of 15,635,416 Highland Red Lake Shares and 15,635,416 Highland Red Lake Warrants being distributed to the Highland securityholders, and an aggregate of approximately 2,614,584 Highland Red Lake Shares retained by Highland, in each case assuming that the number securities of Highland remain unchanged between today and the Distribution Record Date.

Subject to the approval at the Meeting, the Arrangement will be affected by way of a court approved plan of arrangement ("Plan of Arrangement") under the provisions of the *Business Corporations Act* (British Columbia). Assuming receipt of the requisite approval of the Highland's shareholders and regulatory approvals, the Distribution Record Date was August 26, 2025.

Closing Conditions

Further information concerning the Plan of Arrangement and the Meeting will be provided in subsequent news releases, and the management information circular of the Company which will be filed on SEDAR+.

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025

Closing of the Arrangement is subject to a number of conditions, including (i) approval of the Highland shareholders at the Meeting; (ii) court approval of the Plan of Arrangement; and (iii) certain other customary conditions as further set out in the Agreement. Securityholders of Highland are cautioned that final details of the Plan of Arrangement are subject to change and that there is no certainty that the Arrangement will be completed as currently proposed or at all.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at August 31, 2025.

Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company recognized \$2,260 in professional fees to Directors and Officers of the Company.

Outstanding Share Data

As at October 27, 2025, the Company had 14,018,749 common shares and outstanding.

The Company also has 8,518,749 warrants outstanding.

Financial risk management

The Company has exposure to liquidity risk, interest rate risk, credit risk and fair value risk. The Company's risk management objective is to protect cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Company's risks and the related exposures are consistent with the business objectives and risk tolerance.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity by ensuring that there is sufficient capital to meet short and long-term business requirements, after taking into account cash flows for administration expenses from operations and the Company's holdings of cash. The Company also strives to maintain sufficient financial liquidity at all times in order to participate in investment opportunities as they arise, as well as to withstand sudden adverse changes in economic circumstances. Other than cash on hand, the Company has no ability to fund its working capital obligations.

Management forecasts cash flows for its current and subsequent fiscal years to predict future financing requirements. Future requirements may be met through a combination of credit and access to capital markets. At August 31, 2025, the Company has cash of \$61,500.

Amounts payable and accrued liabilities are expected to be settled in the next nine months.

Credit risk: Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at August 31, 2025, the Company's credit risk is primarily attributable to cash. At August 31, 2025, all of the Company's cash was held with a Canadian chartered bank.

Interest Rate Risk: Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company has no exposure to interest rate risk.

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025

Fair Values: The Company's amounts payable and accrued liabilities had fair values which approximate their carrying values due to their short term maturities.

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborate by observable market data or other means. Level 3 inputs are unobservable. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company only classified cash as FVTPL, which is measured using Level 1 inputs.

Business Environment and Risks

Potential future financial requirements: In order to meet its liabilities additional financing will be required.

Unforeseen liabilities from transactions: There may be liabilities that the Company has failed to discover or has underestimated in connection with prior corporate transactions. In addition, there may be expenditure requirements that the Company has failed to discover or underestimated in connection with these transactions. Any such liabilities or capital expenditure requirements could have a material adverse effect on the Company's business, financial condition or future prospects.

Current Global Financial Conditions: Current global financial conditions have been subject to increased volatility and as a result, access to financing may be negatively impacted. These factors may further impact the ability of the Company to obtain additional capital in the future. If these increased levels of volatility continue, the Company's operations could be adversely impacted and the value and the price of its common shares and other securities could continue to be adversely affected.

Negative Operating Cash flows: The Company currently does not have any revenues and as a result the Company has experienced negative operating cash flow. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed.

The Company expects to continue to incur losses unless and until such time that it acquires a business. to fund its operations. There can be no assurance that the Company will generate any revenues or achieve profitability nor can there be any assurance that the underlying assumed levels of expenses will prove to be accurate.

Key Executives and Directors: The Company is dependent on the services of its executives and directors. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled people may adversely affect its business and future operations.

Conflicts of Interest: Certain directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in other companies and therefore it is possible that a conflict may arise between their duties as a director or officers of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest. The Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Company's Act* (Ontario) and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

HIGHLAND RED LAKE GOLD CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM JULY 8, 2025 TO AUGUST 31, 2025

Critical Accounting Estimates

The Company's consolidated financial statements are prepared in accordance with IFRS and, in preparing these statements, management must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and assumptions are believed to be reasonable under the circumstances and are based on historical experience and current conditions. The use of other assumptions could result in different estimates, and actual results may vary from results based on these estimates. As events occur and additional information is obtained, these estimates may be subject to change. Estimates are deemed critical when the Company's financial condition or results of operations could be materially impacted by a change in estimate. The Company's significant accounting policies are discussed in its financial statements for the period from July 8, 2025 to August 31, 2025.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to, the provision for income taxes.

Disclosure Controls and Procedures

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence in that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate do not make any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SCHEDULE "E" – INTERIM ORDER
[*See attached.*]

THIS COURT ORDERS THAT:

1. The Petitioner is authorised and directed to call, hold and conduct a special meeting (the "**Meeting**") of the holders of common shares (the "**Shareholders**") of the Petitioner to be held at 1:00 P.M. at 801-1 Adelaide St. East Toronto, ON, on November 21, 2025 to seek the approval of the Shareholders to adopt and authorise, with or without amendment, the arrangement (the "**Arrangement**") and the plan of arrangement implementing the Arrangement (the "**Plan of Arrangement**") substantially in the form attached as Schedule "F" to Exhibit "**C**" of the Supporting Affidavit.
2. The Meeting will be called, held and conducted in accordance with the Notice of Annual General and Special Meeting and Information Circular to be delivered to the Shareholders in substantially the form attached as Exhibit "**C**" to the Supporting Affidavit, along with the form of proxy attached as Exhibit "**A**" to the Affidavit of Manya Arora (together with the Notice of Annual General and Special Meeting and the Information Circular, the "**Meeting Materials**"), and in accordance with the BCBCA, the Articles of the Company, terms of this Order of any further order of this Court.
3. The Petitioner is authorized to make, in the manner contemplated by and subject to the Arrangement Agreement among the Company and Highland Red Lake dated August 19, 2025 (the "**Arrangement Agreement**"), such amendments, revisions or supplements to the Arrangement Agreement, Arrangement or Plan of Arrangement, as it may determine.
4. The Petitioner will deliver to the Shareholders the Meeting Materials with such amendments as counsel for the Company may advise are necessary or desirable, provided they are not inconsistent with the terms of this Order, at least 21 days before the date of the Meeting in accordance with the Notice and Access procedure in sections 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* and 2.7.1 of National Instrument 54-101 of the Canadian Securities Administrators – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Distribution of the Meeting Materials to the Shareholders shall be to their addresses as they appear on the books and records of the Company as of the Record Date.
5. The delivery of Meeting Materials to the Shareholders in accordance with paragraph 4 of this Order shall be considered valid and timely notice of Meeting by Company to all Shareholders entitled to vote and be served or receive notice. No other form of service or notice need be made or given.
6. The accidental failure or omission by the Company to give notice of the Meeting or the Petition to any person in accordance with this Order, as a result of mistake or of events beyond the reasonable control of the Company (including, without limitation, any inability to utilize postal services) shall not constitute a breach of this Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such accidental failure or omission is brought to the attention of the Company, then it shall use its commercially reasonable

best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances. Such rectified notice shall be deemed to be good and sufficient notice of the Meeting and/or the Petition, as the case may be.

7. The persons entitled to attend the Meeting will be Shareholders of record as of the close of business Toronto time on September 22, 2025 (the "**Record Date**"), or their respective proxies, the officers, directors and advisors of the Company and such other persons who receive the consent of a Director of the Meeting to attend.
8. The only persons permitted to vote at the Meeting will be the registered Shareholders as of the Record Date or their valid proxyholders as described in the Information Circular and as determined by the Chair of the Meeting upon consultation with the Scrutineer and legal counsel to the Company.
9. A quorum for the Meeting will be the quorum required by the Articles of the Company.
10. The Arrangement will be considered adopted if approved by at least 66 2/3% of votes cast by the Shareholders of the Company as of the close of business on the Record Date, present at the Meeting, either in person, by telephone or by proxy.
11. Notwithstanding any provision of the BCBCA or the Articles of the Company, the Company may adjourn or postpone the Meeting without the need for the approval of this Court, and without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement of the Meeting shall be given by press release, by newspaper advertisement, by email or by mail, as determined by the Company to be the most appropriate method of communication.
12. At any subsequent reconvening of the Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meeting.
13. Registered Shareholders will have the right to dissent from the Arrangement Resolution and to be paid the fair value of their Highland Shares, as if ss. 237 to 247 of the BCBCA, as modified by Article 4 of the Plan of Arrangement, the Interim Order and the Final Order, applied to the proposed Arrangement. A dissenting Shareholder who does not strictly comply with the dissent procedures in ss. 237 to 247 of the BCBCA, as modified by Article 4 of the Plan of Arrangement, the Interim Order and the Final Order, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder.
14. A Beneficial Shareholder (as defined in the Information Circular) who wishes to exercise a right of dissent must arrange with the Registered Shareholder holding its common shares of Highland Parent to deliver the Dissent Notice.
15. A Dissent Notice must specify the name and address of the dissenting registered Shareholder of Highland Parent (the "**Dissenting Shareholder**"), the number of the

Highland Parent's common shares in respect of which the Dissent Notice is being given (the "**Dissent Shares**"), and:

- (a) if the Dissent Notice is being given by the Dissenting Shareholder on its own behalf, the Dissent Notice must specify that either:
 - (i) the Dissent Shares constitute all of Highland Parent's common shares of which the Dissenting Shareholder is the registered and beneficial owner; or
 - (ii) the Dissent Shares constitute all of Highland Parent's common shares of which the Dissenting Shareholder is the registered owner and the number of Highland Parent's common shares of which the Dissenting Shareholder is the beneficial owner but not the registered owner, and in respect of such shares, the names of the registered owners of such shares, the number of such shares held by each of them and confirmation that notices of dissent are being, or have been sent, in respect of all such shares.
 - (b) if the Dissent Notice is being given by the Dissenting Shareholder on behalf of another person who is the beneficial owner of the Dissent Shares, the Dissent Notice must:
 - (i) specify the name and address of the beneficial owner;
 - (ii) state that the Dissent Shares represent all of the shares beneficially owned by the beneficial owner for which the Dissenting Shareholder is the registered owner; and
 - (iii) include a statement from the beneficial owner of the Dissenting Shares identifying the number of Highland Parent's common shares of which the beneficial owner is either the registered owner or the beneficial owner and, in respect of any such shares which are not Dissent Shares, the names of the registered owners of such shares, the number of such shares held by each of them and confirmation that notices of dissent are being, or have been sent, in respect of all such shares.
16. Dissenting Shareholders should send all written objections with respect to the Arrangement Resolution in accordance with Sections 237 to 247 of the BCBCA to:

Edwards, Kenny and Bray LLP
1900 – 1040 West Georgia Street
Vancouver, BC V6E 4H3
Attention: Laura C. Morrison

Email: service@ekb.com

by or before 1:00 p.m. (Vancouver time) on November 19, 2025, or as the Court may otherwise direct or two Business Days immediately preceding any date to which the Meeting may be postponed or adjourned.

17. A Dissenting Shareholder delivering such written statement may not withdraw from its dissent and, at 12:01 a.m. (Vancouver time) on the date the Arrangement becomes effective, will be deemed to have transferred to Highland Parent all of the common shares of Highland Parent it holds, free and clear of any liens, charges, security interests or other encumbrances whatsoever. If Highland Parent does not proceed with the Arrangement, Highland Parent will return to the appropriate Dissenting Shareholders any Dissent Shares in its possession.
18. Highland Parent will pay to each Dissenting Shareholder the amount agreed between Highland Parent and the Dissenting Shareholder for its common shares of Highland Parent.
19. Either Highland Parent or a Dissenting Shareholder may apply to this Court pursuant to the BCBCA if no agreement on the terms of the sale of the common shares of Highland Parent held by the Dissenting Shareholder has been reached and the Court may determine such fair value to be paid by the Petitioner to such Dissenting Shareholder or make such consequential orders and directions as it deems appropriate.
20. Subject to the terms of the Arrangement Agreement, unless the directors of the Petitioner by resolution determine to abandon the Arrangement, upon the approval of Shareholders, the Petitioner may apply to this Court for a Final Order pursuant to section 291(4)(a) of the BCBCA approving the Arrangement, including the terms and conditions thereof and the issuances, exchanges and/or adjustments of securities contemplated therein.
21. The hearing of the Petition for the Final Order (the "**Petition**") is set down for hearing before the presiding Judge in Chambers at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on November 28, 2025 at 9:45 a.m., or at such date and time as this Court may direct.
22. The form of Notice of Petition attached to this Order as **Schedule "A"** is hereby approved as the form of notice of these proceedings.
23. The shareholders of the Company or any other interested party seeking to appear and make submissions at the hearing of the application for the Final Order shall file and deliver or email a Response to Petition (a "**Response**") in the form prescribed by the *Supreme Court Civil Rules*, together with a copy of all affidavits or other materials upon which they intend to rely, to the Petitioner's solicitors at:

Edwards, Kenny and Bray LLP
1900 – 1040 West Georgia Street
Vancouver, BC V6E 4H3
Attention: Laura C. Morrison

Email: service@ekb.com

by or before 2:00 p.m. (Vancouver time) on November 26, 2025, or as the Court may otherwise direct.


24. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for the Petitioner and persons who have delivered a Response in accordance with this Interim Order.
25. A copy of the Notice of Petition and this Interim Order will be included with the Meeting Materials and will be sent to the Shareholders in accordance with paragraph 4 of this Order.
26. Sending the Notice of Petition and this Interim Order in accordance with paragraph 4 of this Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served in respect of these proceedings. In particular, service of the Petition herein and the accompanying Affidavit and additional Affidavits as may be filed is dispensed with.
27. If the hearing of the Petition is adjourned, only those persons who have filed and delivered a Response in accordance with this Order need to be served by email with notice of the adjourned date and any filed materials.
28. The Petitioner shall be entitled, at any time, to apply to vary this Order.
29. The Petitioner shall have liberty to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for Highland Critical Minerals Corp.
Laura C. Morrison

By the Court.



Registrar



**SCHEDULE A TO INTERIM ORDER
FORM OF NOTICE OF PETITION**

No.
Vancouver Registry

In the Supreme Court of British Columbia

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
HIGHLAND CRITICAL MINERALS CORP. AND HIGHLAND RED LAKE GOLD CORP.

AND

HIGHLAND CRITICAL MINERALS CORP.

Petitioner

NOTICE OF PETITION

To: The holders (the "**Company Shareholders**") of outstanding common shares of Highland Critical Minerals Corp. (the "**Company**")

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by the Petitioner in the Supreme Court of British Columbia (the "**Court**") for approval of a plan of arrangement (the "**Arrangement**") pursuant to the *Business Corporations Act*, S.B.C. 2002, c.57, as amended (the "**BCBCA**").

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application pronounced by Associate Judge _____ on October 27, 2025 the Court has given directions for approval of the Arrangement by way of a meeting of the Company Shareholders.

AND NOTICE IS FURTHER GIVEN that if the Arrangement is approved by the Company Shareholders, the Petitioner intends to apply to the Court for a final order approving the Arrangement and for a determination that the terms of the Arrangement are procedurally and substantively fair and reasonable (the "**Final Order**"), which application shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on November 28, 2025 at 9:45 am (Vancouver time), or as soon thereafter as counsel may be heard or at such other date and time as the Court may direct (the "**Final Application**").

NOTICE IS FURTHER GIVEN that the Court has been advised that, if granted, the Final Order approving the Arrangement and the declaration that the Arrangement is substantively and procedurally fair and reasonable to the Company Shareholders will serve as a basis of a claim for the exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, set forth in Section 3(a)(10) thereof with respect to the issuance and exchange of such securities under the proposed Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the Final Application, but only if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") in the form prescribed by the *Supreme Court Civil Rules*, and delivered or emailed a copy of the filed Response, together with all affidavits and other material upon which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submission, to the Petitioner at its address for delivery set out below by or before 2:00 p.m. (Vancouver time) on November 26, 2025:

The Petitioner's address for delivery is:
Edwards, Kenny and Bray LLP
1900 – 1040 West Georgia Street
Vancouver, BC V6E 4H3
Attention: Laura C. Morrison
Email: service@ekb.com

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend, either in person or by counsel, at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Company Shareholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Company Shareholders upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Estimated time required: 10 minutes

This matter is not within the jurisdiction of an Associate Judge.

Date: October 27, 2025

Signature of lawyer for Highland Critical Minerals Corp.
Laura C. Morrison

No. S257929
Vancouver Registry

In the Supreme Court of British Columbia

IN THE MATTER OF SECTION 288 OF THE BUSINESS
CORPORATIONS ACT, S.B.C. 2002,
CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT
INVOLVING HIGHLAND CRITICAL MINERALS CORP.
AND HIGHLAND RED LAKE GOLD CORP.

AND

HIGHLAND CRITICAL MINERALS CORP.

Petitioner

**ORDER MADE AFTER APPLICATION
(INTERIM ORDER)**



Edwards, Kenny & Bray ^{LLP}
Barristers & Solicitors

1900 - 1040 West Georgia Street
Vancouver, BC V6E 4H3
Telephone: 604-689-1811
Fax: 604-689-5177

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LCM

SCHEDULE “F” – ARRANGEMENT AGREEMENT AND PLAN OF ARRANGEMENT
[*See attached.*]

ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT dated as of the 19th day of August, 2025.

AMONG

HIGHLAND CRITICAL MINERALS CORP., a company subject to the *Business Corporations Act* (British Columbia)

(**"Highland Parent"**)

AND

HIGHLAND RED LAKE GOLD CORP., a company subject to the *Business Corporations Act* (British Columbia)

(**"Highland Red Lake"**)

WHEREAS Highland Parent intends to propose to its shareholders the Arrangement;

AND WHEREAS Highland Red Lake is a subsidiary of Highland Parent;

AND WHEREAS the parties hereto wish to record their agreements with regard to the Arrangement and Plan of Arrangement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and the respective covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement including the recitals hereto, the following terms will have the following meanings:

"Arrangement" means the arrangement under the provisions of Section 288 of the BCA among set forth in this Agreement the Plan of Arrangement or any amendment or variation thereto made in accordance with section 6.1 of this Agreement.

"BCA" means the British Columbia Business Corporations Act, as amended from time to time.

"Business Day" means any day, other than a Saturday or a Sunday, when Canadian chartered banks are open for business in the City of Vancouver.

"Circular" means the definitive form, together with any amendments thereto, of the management information circular of Highland Parent to be prepared and sent to Shareholders in connection with the Meeting.

“Common Shares” means the Class A Common Shares without par value in the capital of Highland Parent issued and outstanding immediately prior to the implementation of the Arrangement.

“Court” means the Supreme Court of British Columbia.

“Dissent Rights” means the rights of registered Shareholders to dissent in respect of the Arrangement pursuant to the BCA and the Interim Order.

“Distribution Record Date” means the close of business on August 26, 2025 for the purpose of determining holders of Common Shares, Highland Parent RSUs and Highland Parent Warrants entitled to receive, as applicable, New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, and Highland Red Lake RSUs, or such other date as the board of directors of Highland Parent may select.

“Effective Date” means the date the Plan of Arrangement becomes effective.

“Final Order” means the final order of the Court approving the Arrangement.

“Highland Parent Replacement RSU” means a restricted share unit to be issued to a holder of a Highland Parent RSU pursuant to Section 3.1.2 of the Plan of Arrangement.

“Highland Parent RSUs” means the outstanding restricted share units issued pursuant to Highland Parent’s restricted share unit plan.

“Highland Parent Warrants” means the share purchase warrants of Highland Parent exercisable to acquire Common Shares, that are outstanding immediately prior to the Effective Time.

“Highland Red Lake Shares” means the Class A Common Voting Shares without par value in the capital of Highland Red Lake.

“Highland Red Lake Spinout Shares” means the 15,635,416 Highland Red Lake Shares (or such other amount determined by the board of directors of Highland Red Lake) issued or to be issued to Highland prior to the Effective Time, such shares to be distributed to the holders of Common Shares, Highland Red Lake Warrants and Highland Red Lake RSUs pursuant to the Plan of Arrangement.

“Highland Red Lake RSUs” means restricted share units governed pursuant to Highland Red Lake’s restricted share unit plan.

“Highland Red Lake Warrants” means the 15,635,416 share purchase warrants of Highland Red Lake exercisable to acquire Highland Red Lake Shares, each of which shall give its holder the right to acquire one additional Highland Red Lake Share at a price of \$0.15 for five years.

“Interim Order” means the order of the Court to be applied for as contemplated in Section 3.3 hereof.

“Meeting” means the annual general and special meeting of Shareholders to be held to consider, among other matters, the Arrangement.

“New Common Shares” means the new Class A Common Shares without par value in the capital of Highland Parent to be issued as part of the Arrangement.

“Plan of Arrangement” means the plan of arrangement which is annexed as Exhibit 1 hereto and any amendment or variation thereto made in accordance with Section 6.1 hereof.

“Registrar” means the Registrar of Companies appointed under Section 400 of the BCA.

“Section 3(a)(10) Exemption” means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.

“Shareholders” means registered holders of Common Shares.

“Transaction Shares” means an aggregate of 2,750,000 Highland Red Lake Shares that Highland Red Lake shall issue to Highland Parent at a deemed price of \$0.02 per Highland Red Lake Share as partial consideration for substantially organizing and funding the Arrangement.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

1.2 Interpretation not Affected by Headings

The division of this Agreement into articles, Sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, and “hereunder” and similar expressions refer to this Agreement (including the exhibit hereto) and not to any particular article, Section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Numbers, Et Cetera

Unless the context otherwise requires, words importing the singular number only will include the plural and vice versa, words importing the use of any gender will include both genders; and words importing persons will include firms, corporations, trusts and partnerships.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day at such place, unless otherwise agreed to.

1.5 Entire Agreement

This Agreement, together with the exhibit, schedules, agreements and other documents herein or therein referred to, constitute the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect to the subject matter hereof.

1.6 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

2. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Highland Parent

Highland Parent represents and warrants to and in favour of each Highland Red Lakes follows:

- (a) Highland Parent is a company duly organized and validly existing under the BCA and has the corporate power and authority to own, operate and lease its property and assets and to carry on its business as now being conducted by it, and it is duly registered, licensed or qualified to carry on business in each jurisdiction in which a material amount of its business is conducted or where the character of its properties and assets makes such registration, licensing or qualification necessary.
- (b) Highland Parent has the corporate power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder.
- (c) The authorized capital of Highland Parent consists of an unlimited number of Common Shares without par value of which 19,685,832 Common Shares were issued and outstanding as at the date hereof.
- (d) No individual, firm, corporation or other person holds any securities convertible or exchangeable into any shares of Highland Parent or of any of its subsidiaries or has any agreement, warrant, option or any right capable of becoming an agreement, warrant or option for the purchase of any unissued shares of Highland Parent or any of its subsidiaries, other than 11,285,000 Highland Warrants and 300,000 Highland RSUs.
- (e) The execution and delivery of this Agreement by Highland Parent and the completion of the transactions contemplated herein:
 - (i) do not and will not result in a breach of, or violate any term or provision of, the articles of Highland Parent or any of the constating documents of its subsidiaries;
 - (ii) subject to receiving any consent as may be necessary under any agreement by which Highland Parent or any of its subsidiaries is bound, do not and will not, as of the Effective Date, conflict with, result in the breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, license, permit or authority to which Highland Parent and its subsidiaries taken as a whole, or to which any material property of Highland Parent or any of its subsidiaries is subject or result in the creation of any lien, charge or encumbrance upon any of the material assets of Highland Parent or any of its subsidiaries under any such agreement or instrument, or give to any person any material interest or right, including rights of purchase,

termination, cancellation or acceleration, under any such agreement, instrument, license, permit or authority; and

- (iii) subject to receipt of necessary approvals of the Shareholders and the Court do not and will not as of the Effective Date violate any provision of law or administrative regulation or any judicial or administrative award, judgment or decree applicable and known to Highland Parent, after due inquiry, the breach of which would have a material adverse effect on Highland Parent and its subsidiaries taken as a whole.
- (f) To the best of the knowledge of Highland Parent after due inquiry, there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting Highland Parent or any subsidiary of Highland Parent, at law or in equity, before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind nor, to the best of the knowledge of Highland Parent, after due inquiry, are there any existing facts or conditions which may reasonably be expected, individually or in the aggregate, to be a proper basis for any actions, suits, proceedings or investigations, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement, or the Plan of Arrangement, or which may reasonably be expected individually or in the aggregate to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of Highland Parent and its subsidiaries, taken as a whole, either before or after the Effective Date.
- (g) The execution and delivery of this Agreement and the completion of the transactions contemplated herein have been duly approved by the directors of Highland Parent and this Agreement has been duly executed and delivered by Highland Parent and constitutes a valid and binding obligation of Highland Parent enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (h) The information set forth in the Circular relating to Highland Parent and the interests of Highland Parent and its business and properties and the effect of the Arrangement thereon will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in the light of the circumstances in which they are made.

2.2 Representations and Warranties of Highland Red Lake

Highland Red Lake represents and warrants to and in favour of Highland Parent as follows:

- (a) it is a company duly organized and validly existing under the BCA.
- (b) it has the corporate power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder.

- (c) Except as contemplated by this Agreement, no individual, firm, corporation or other person holds any securities convertible or exchangeable into any Highland Red Lake Share or has any agreement, warrant, option or any right capable of becoming an agreement, warrant or option for the purchase of any unissued Highland Red Lake Shares.
- (d) The execution and delivery of this Agreement by it and the completion of the transactions contemplated herein:
 - (i) do not and will not result in the breach of, or violate any term or provision of, its articles; and
 - (ii) do not and will not, as of the Effective Date, violate any provision of law or administrative regulation or any judicial or administrative award, judgment or decree applicable and known to it, after due inquiry, the breach of which would have a material adverse effect on it.
- (e) The execution and delivery of this Agreement and the completion of the transactions contemplated herein have been duly approved by its board of directors and this Agreement has been executed and delivered by it and constitutes a valid and binding obligation enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) it is not engaged in any business nor is it a party to or bound by any contract, agreement, arrangement, instrument, license, permit or authority, other than this Agreement and any transaction or agreement necessary or incidental to the fulfilment of its obligations under Agreement, nor does it have any liabilities, contingent or otherwise, except as provided in or permitted by this Agreement.

3. COVENANTS

3.1 Covenants of Highland Parent

Highland Parent hereby covenants and agrees with Highland Red Lake follows:

- (a) Until the Effective Date, Highland Parent will carry on its business in the ordinary course and will not enter into any transaction or incur any obligation or liability out of the ordinary course of its business, except as otherwise contemplated in this Agreement.
- (b) Except as otherwise contemplated in this Agreement, until the Effective Date, Highland Parent will not merge with, amalgamate, consolidate or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which reasonably could be expected to, directly or indirectly, interfere or be inconsistent with the completion of the Arrangement.
- (c) Highland Parent will, in a timely and expeditious manner, file the Circular in all jurisdictions where the Circular is required to be filed by Highland Parent and mail

the Circular to Shareholders in accordance with the terms of the Interim Order and applicable law.

- (d) Highland Parent will perform the obligations required to be performed by it hereunder and will do all such other acts and things as may be necessary or desirable in order to carry out and give effect to the transactions under the Arrangement as described in the Circular and, without limiting the generality of the foregoing, Highland Parent shall use its reasonable best efforts to:
 - (i) seek the approval of the Shareholders required for the implementation of the Arrangement,
 - (ii) seek the Final Order as provided for in Section 3.3, and
 - (iii) obtain such other consents, orders, rulings, approvals and assurances as counsel may advise are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 4.1.
- (e) Highland Parent will convene the Meeting as soon as practicable and will solicit proxies to be voted at the Meeting in favour of the Arrangement and all other resolutions referred to in the Circular.
- (f) Highland Parent will use its reasonable best efforts to cause each of the conditions precedent set out in Sections 4.1 and 4.2 to be complied with on or before the Effective Date.

3.2 Covenants of Highland Red Lake

Highland Red Lake hereby covenants and agrees with Highland Parent as follows:

- (a) Until the Effective Date, it will not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person, and perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the Arrangement or other transactions contemplated by this Agreement.
- (b) it will perform the obligations required to be performed by it, and will enter into all agreements required to be entered into by it, under this Agreement, the Plan of Arrangement and will do all such other acts and things as may be necessary or desirable in order to carry out and give effect to the Arrangement and related transactions as described in the Circular and, without limiting the generality of the foregoing, it will:
 - (i) seek and cooperate with Highland Parent in seeking the Final Order as provided for in Section 3.3; and
 - (ii) seek and cooperate with Highland Parent in seeking such other consents, orders, rulings, approvals and assurances as counsel may advise are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 4.1.

3.3 Interim Order and Final Order

Each party covenants and agrees that it will, as soon as reasonably practicable, apply to the Court for the Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of, among other matters, considering and, if deemed advisable, approving the Arrangement and that, if the approval of the Arrangement by Shareholders as set forth in the Interim Order is obtained by Highland Parent as soon as practicable thereafter each party will take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct. As soon as practicable thereafter, and subject to compliance with any other conditions provided for in Article 4 hereof, Highland Parent will file with the Registrar a certified copy of the Final Order to give effect to the Arrangement.

3.4 Non-Survival of Representations, Warranties and Covenants

The respective representations, warranties and covenants of Highland Parent and Highland Red Lake contained herein will expire and be terminated and extinguished at and from the Effective Date, other than the covenants in Sections 3.1(d) and 3.2(b) and no party will have any liability or further obligation to any party hereunder in respect of the respective representations, warranties and covenants thereafter, other than the covenants in Sections 3.1(d) and 3.2(b)

4. CONDITIONS

4.1 Conditions Precedent

The respective obligations of each party hereto to complete the transactions contemplated by this Agreement will be subject to the satisfaction, on or before the Effective Date, of the following conditions, none of which may be waived by any party hereto in whole or in part:

- (a) The Arrangement, with or without amendment, will have been approved at the Meeting in accordance with the Interim Order.
- (b) The Interim Order and the Final Order will have been obtained in form and substance satisfactory to Highland Parent and Highland Red Lake, acting reasonably.
- (c) No action will have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of or damages on account of or relating to the Arrangement and no cease trading or similar order with respect to any securities of Highland Parent or Highland Red Lake will have been issued and remain outstanding.
- (d) No more than 10% of Shareholders shall have exercised Dissent Rights.
- (e) All material regulatory requirements will have been complied with and all other material consents, agreements, orders and approvals, including regulatory and judicial approvals and orders, necessary for the completion of the transactions provided for in this Agreement or contemplated by the Circular will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances.
- (f) None of the consents, orders, regulations or approvals contemplated herein will contain terms or conditions or require undertakings or security deemed

unsatisfactory or unacceptable by Highland Parent or Highland Red Lake, acting reasonably.

- (g) There shall not have been any adverse material change with respect to Highland Parent or its business.
- (h) The issuance and exchange of New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Parent Warrants, Highland Parent Replacement RSUs and Highland Red Lake RSUs to be issued and exchanged pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act and the registration and prospectus requirements of applicable securities legislation in each of the provinces and territories of Canada in which Shareholders are resident.
- (i) There shall not have been an amendment to Section 3(a)(10) of the U.S. Securities Act, a change in the interpretation of Section 3(a)(10) of the U.S. Securities Act or a decision of a court which provides that orders of Canadian courts such as the Final Order do not qualify under Section 3(a)(10) of the U.S. Securities Act which results in the Section 3(a)(10) Exemption being not available for any reason to exempt the issuance and exchange of New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Parent Warrants, Highland Parent Replacement RSUs and Highland Red Lake RSUs to be issued and exchanged on completion of the Arrangement from the registration requirements of the U.S. Securities Act.
- (j) Highland Red Lake shall have issued the Transaction Shares to Highland Parent.
- (k) This Agreement will not have been terminated under Section 6.2

4.2 Conditions to Obligations of Each Party

The obligation of each of Highland Parent and Highland Red Lake to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by any such party without prejudice to its right to rely on any other condition in favour of such party, that each and every one of the covenants of the other party hereto to be performed on or before the Effective Date pursuant to the terms of this Agreement will have been duly performed by such party and that, except as affected by the transactions contemplated by this Agreement, the representations and warranties of the other party hereto will be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and warranties had been made at and as of such time, and each such party will have received a certificate, dated the Effective Date, of a senior officer of each other party confirming the same.

4.3 Merger of Conditions

The conditions set out in Sections 4.1 and 4.2 will be conclusively deemed to have been satisfied, waived or released upon the delivery to the Registrar of a certified copy of the Final Order to give effect to the Arrangement.

5. UNITED STATES SECURITIES LAW MATTERS

The Parties agree that the Arrangement will be carried out with the intention that all New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Parent Warrants, Highland Parent Replacement RSUs and Highland Red Lake RSUs

issued on completion of the Arrangement will be issued in reliance on the exemption from the registration requirements of U.S. Securities Act provided by the Section 3(a)(10) Exemption. In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the holders of Common Shares, Highland Parent Warrants and Highland Parent RSUs subject to the Arrangement;
- (d) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the holders of Common Shares, Highland Parent Warrants and Highland Parent RSUs;
- (e) Highland Parent will ensure that each securityholder entitled to receive New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Parent Warrants, Highland Parent Replacement RSUs and Highland Red Lake RSUs on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (f) the Shareholders will be advised that the New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Parent Warrants, Highland Parent Replacement RSUs and Highland Red Lake RSUs issued in the Arrangement have not been registered under the U.S. Securities Act and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act and may be subject to restrictions on resale under the applicable Securities Legislation of the United States, including, as applicable, Rule 144 under the U.S. Securities Act with respect to affiliates of Highland Parent;
- (g) the Interim Order will specify that holders of Common Shares, Highland Parent Warrants and Highland Parent RSUs will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as the holders of Common Shares, Highland Parent Warrants and Highland Parent RSUs enters an appearance within a reasonable time; and
- (h) the Final Order shall include a statement substantially to the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the *United States Securities Act* of 1933, as amended, from the registration requirements otherwise imposed by that Act, regarding the exchange of Common Shares for New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, modified Highland Parent Warrants, Highland Parent Replacement RSUs and Highland Red Lake RSUs, pursuant to the Plan of Arrangement.”

6. AMENDMENT AND TERMINATION

6.1 Amendment

This Agreement and the Plan of Arrangement may, at any time and from time to time before and after the holding of the Meeting but not later than the Effective Date, be amended in a manner not materially prejudicial to the Shareholders by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the Shareholders or the Court for any reason whatsoever.

6.2 Termination

This Agreement may, at any time before or after the holding of the Meeting but no later than the Effective Date, be terminated by the Board of Directors of Highland Parent without further notice to, or action on the part of, the Shareholders.

Without limiting the generality of the foregoing, Highland Parent may terminate this Agreement:

- (a) In the event that any right of dissent is exercised pursuant to Section 4.1 of the Plan of Arrangement in respect of the Common Shares, immediately prior to the Effective Date, by shareholders who have exercised their right of dissent, hold 10% or more of the outstanding Common Shares and have not abandoned their right of dissent.
- (b) If prior to the Effective Date there is a material change in the business, operations, properties, assets, liabilities or condition, financial or otherwise, of Highland Parent and its subsidiaries, taken as a whole, or in Highland Red Lake, or any change in general economic conditions, interest rates or any outbreak or material escalation in, or the cessation of, hostilities or any other calamity or crisis, or there should develop, occur or come into effect any occurrence which has a material effect on the financial markets of Canada and the Board of Directors determines in its sole judgment that it would be inadvisable in such circumstances for Highland Parent to proceed with the Arrangement.

6.3 Effect of Termination

Upon the termination of this Agreement pursuant to Section 6.2 hereof, no party will have any liability or further obligation to any other party hereunder.

7. GENERAL

7.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement will be given or made in writing and will be deemed to be validly given if served personally or by email, in each case to the attention of the senior officer at the following addresses or at such other addresses as will be specified by the parties by like notice:

If to Highland Parent:

1 Adelaide Street East, Suite 801
Toronto, ON M5C 2V9

Attention: Edward Yew
Email: Ted.yew@highlandcritical.com

If to Highland Red Lake:

1 Adelaide Street East, Suite 801
Toronto, ON M5C 2V9

Attention: Edward Yew
Email: Ted.yew@highlandcritical.com

The date of receipt of any such notice will be deemed to be the date of delivery or facsimile transmission thereof.

7.2 Assignment

No party may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other party hereto.

7.3 Expenses

The Parties agree that all expenses relating to the Arrangement will be borne by Highland Parent.

7.4 Binding Effect

This Agreement and the Arrangement will be binding upon and will enure to the benefit of the parties hereto and their respective successors and permitted assigns and, in the case of the Arrangement, will enure to the benefit of the Shareholders.

7.5 Waiver

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting the same. Waivers may only be granted upon compliance with the terms governing amendments set forth in Section 6.1 hereof, applied *mutatis mutandis*.

7.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and will be treated in all respects as a British Columbia contract.

7.7 Counterparts

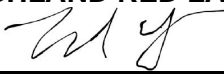
This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written.

HIGHLAND CRITICAL MINERALS CORP.

By:  _____

HIGHLAND RED LAKE GOLD CORP.

By:  _____

**EXHIBIT 1
TO THE ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT
UNDER SECTION 288
OF THE BRITISH COLUMBIA BUSINESS CORPORATIONS ACT**

1. INTERPRETATION

1.1 Definitions

In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

“Arrangement” means the arrangement proposed under the provisions of Section 288 of the BCA on the terms set out in this Plan of Arrangement.

“Arrangement Agreement” means the agreement, dated as of August 19, 2025 among Highland Parent and Highland Red Lake to which this Plan of Arrangement is attached as Exhibit 1, as the same may be amended from time to time.

“BCA” means the British Columbia Business Corporations Act, as amended from time to time.

“Circular” means the definitive form, together with any amendments thereto, of the management information circular of Highland Parent to be prepared and sent to the Shareholders in connection with the Meeting.

“Common Share” means the Class A Common Shares without par value in the capital of Highland Parent.

“Court” means the Supreme Court of British Columbia.

“Director” means the Director appointed under Section 260 of the BCA.

“Distribution Record Date” means the close of business on August 26, 2025 for the purpose of determining holders of Common Shares, Highland Parent RSUs and Highland Parent Warrants entitled to receive, as applicable, New Common Shares, Highland Red Lake Spinout Shares, Highland Red Lake Warrants, and Highland Red Lake RSUs, or such other date as the board of directors of Highland Parent may select.

“Effective Date” means the date the Plan of Arrangement becomes effective.

“Final Order” means the final order of the Court approving the Arrangement pursuant to the BCA.

“Highland Parent” means Highland Critical Minerals Corp., a corporation recognized under the BCA.

“Highland Parent Warrants” means the share purchase warrants of Highland Parent exercisable to acquire Common Shares, including warrants under the terms of which are deemed exercisable for Common Shares, that are outstanding immediately prior to the Effective Time.

“Highland Parent RSUs” means the outstanding restricted share units issued pursuant to Highland Parent’s restricted share unit plan.

“Highland Parent Replacement RSU” means a restricted share unit to be issued to a holder of a Highland Parent RSU pursuant to Section 3.1.2 of the Plan of Arrangement.

“Highland Red Lake” means Highland Red Lake Gold Corp., a subsidiary of Highland Parent incorporated under the BCA.

“Highland Red Lake Shares” means the Class A Common Voting Shares without par value in the capital of Highland Red Lake.

“Highland Red Lake Spinout Shares” means the 15,635,416 Highland Red Lake Shares (or such other amount determined by the board of directors of Highland Red Lake) issued or to be issued to Highland prior to the Effective Time, such shares to be distributed to the holders of Common Shares, Highland Red Lake Warrants and Highland Red Lake RSUs pursuant to the Plan of Arrangement.

“Highland Red Lake RSU” means restricted share units governed pursuant to the Highland Red Lake restricted share unit plan.

“Highland Red Lake Warrants” means the 15,635,416 share purchase warrants of Highland Red Lake exercisable to acquire Highland Red Lake Shares, each of which shall give its holder the right to acquire one additional Highland Red Lake Share at a price of \$0.15 for five years.

“holder”, when not qualified by the adjective “registered”, means the person entitled to a share hereunder whether or not registered or entitled to be registered in respect thereof in the register of shareholders of Highland Parent, or Highland Red Lake as the case may be.

“Interim Order” means the interim order to be obtained from the Court, providing for an annual general and special meeting of the holders of Common Shares to consider and approve the Arrangement and for certain other procedural matters as well as for the issue of a notice of application for the Final Order.

“ITA” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended.

“Meeting” means the annual general and special meeting of shareholders which will be held to consider, among other matters, the Arrangement, and any adjournment thereof.

“New Common Shares” means the new Class A Common Shares without par value in the capital of Highland Parent to be issued as part of the Arrangement.

“Plan of Arrangement” means this plan of arrangement, as it may be amended from time to time in accordance with Section 6.1 of the Arrangement Agreement.

“Shareholders” means registered holders of Common Shares.

“Transfer Agent” means Integral Transfer Agency Inc.

1.2 Headings

The division of this Plan of Arrangement into articles, Sections, subsections and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the

construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, Section, subsection, paragraph or other part hereof. Unless something in the subject matter or context is inconsistent therewith, all references herein to articles, Sections, subsections and paragraphs are to articles, Sections, subsections and paragraphs of this Plan of Arrangement.

1.3 Extended Meanings

In this Plan of Arrangement, words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include individuals, partnerships, associations, firms, trusts, unincorporated organizations and corporations.

1.4 Currency

All references to currency herein are to lawful money of Canada unless otherwise specified herein.

2. ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the provision of the Arrangement Agreement.

3. THE ARRANGEMENT

3.1 The Arrangement

On the Effective Date, the following will occur and be deemed to occur in the following order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Highland Parent or Highland Red Lake, but subject to the provisions of Article 5 and will be binding on Highland Parent, Highland Red Lake, the holders of Common Shares (including holders of Common Shares that exercise their dissent rights), holders of Highland Parent RSUs, holders of Highland Parent Warrants, and holders of Highland Red Lake Shares:

3.1.1 The articles of Highland Parent will be amended by:

- (a) renaming and redesignating all of the issued and unissued Common Shares as “Pre-Arrangement Common Shares” and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, and
- (b) creating a new class consisting of an unlimited number of “Class A Common Shares” with terms and special rights and restrictions identical to those of the Common Shares immediately prior to the Effective Time, being the “New Common Shares”;

3.1.2 each Highland Parent RSU outstanding as of the Distribution Record Date to acquire one Pre-Arrangement Common Share shall be transferred and exchanged for either:

- (a) if the applicable Highland Parent RSU has not been exchanged for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then:
 - (i) one Highland Parent Replacement RSU to acquire one New Common Share and having the same vesting conditions and other terms as the Highland Parent RSU; and
 - (ii) one Highland Red Lake RSU to acquire 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant.
- (b) If the applicable Highland Parent RSU has been exchanged for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then, each such holder of a Highland Parent RSU as of the Distribution Record Date shall be entitled to receive only one Highland Red Lake RSU to acquire 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant in respect of each Highland Parent RSU so held.

It is intended that subsection 7(1.4) of the ITA apply to the exchange of Highland Parent RSUs. Accordingly, and notwithstanding the foregoing, the number of shares receivable under the Highland Parent Replacement RSUs and Highland Red Lake RSUs will be adjusted such that the aggregate fair market value, which shall be determined by the board of directors of Highland Red Lake, of such shares receivable immediately after the exchange does not exceed the fair market value of the Pre-Arrangement Common Shares receivable immediately before the exchange;

3.1.3 each Highland Parent Warrant outstanding as of the Distribution Record Date shall be deemed to be amended to entitle the holder of a Highland Parent Warrant to receive, upon due exercise of the Highland Parent Warrant, for the original exercise price:

- (a) if the applicable Highland Parent Warrant has not been exercised for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then:
 - (i) one New Common Share for each Pre-Arrangement Common Shares that was issuable upon due exercise of the Highland Parent Warrant immediately prior to the Effective Time, and
 - (ii) 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant for each Pre-Arrangement Common Share that was issuable upon due exercise of the Highland Parent Warrant immediately prior to the Effective Time;
- (b) If the applicable Highland Parent Warrant has been exercised for the underlying Pre-Arrangement Common Shares prior to the Effective Date, then, each such holder of a Highland Parent Warrant as of the Distribution Record Date shall be entitled to receive only 0.5 of a Highland Red Lake Spinout Share and 0.5 of a Highland Red Lake Warrant in respect of each Highland Parent Warrant so held.

3.1.4 each issued and outstanding Pre-Arrangement Common Share outstanding on the Distribution Record Date shall be exchanged for: (i) one New Common Share; (ii) 0.5 of a Highland Red Lake Spinout Share; and (iii) 0.5 of a Highland Red Lake Warrant, the

holders of the Pre-Arrangement Common Shares will be removed from the central securities register of Highland as the holders of such and will be added to the central securities register of Highland as the holders of the number of New Common Shares that they have received on the exchange set forth in this Section 3.1.4, and the Highland Red Lake Spinout Shares and Highland Red Lake Warrants transferred to the then holders of the Pre-Arrangement Common Shares will be registered in the name of the former holders of the Pre-Arrangement Common Shares and Highland will provide Highland Red Lake and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Highland Red Lake;

- 3.1.5 the Pre-Arrangement Common Shares, none of which will be issued or outstanding once the exchange in Section 3.1.4 is completed, will be cancelled and the appropriate entries made in the central securities register of Highland and the authorized share structure of Highland will be amended by eliminating the Pre-Arrangement Common Shares, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the New Common Shares will be equal to that of the Common Shares immediately prior to the Effective Time less the fair market value of the Highland Red Lake Spinout Shares distributed pursuant to 3.1.4; and
- 3.1.6 Notwithstanding any other provision of this Arrangement, no fractional Highland Red Lake Spinout Shares or Highland Red Lake Warrants shall be distributed to the holders of Common Shares, Highland RSUs or Highland Warrants, and, as a result, all fractional amounts arising under this Plan of Arrangement shall be rounded down to the next whole number without any compensation therefor. Any Highland Red Lake Spinout Shares and Highland Red Lake Warrants not distributed as a result of so rounding down shall be retained by Highland.

4. RIGHT TO DISSENT

4.1 Right to Dissent

A Shareholder may exercise dissent rights ("**Dissent Rights**") conferred by the Interim Order in connection with the Arrangement in the manner set out in Section 238 of the BCA, as modified by the Interim Order, provided the Notice of Dissent is received by Highland Parent by no later than two business days prior to the date of the Meeting or any adjournment or postponement thereof. Without limiting the generality of the foregoing, Shareholders who duly exercise such Dissent Rights will be deemed to have transferred such Pre-Arrangement Common Shares, as of the Effective Date, without any further act or formality, to Highland Parent in consideration of their entitlement to be paid the fair value of the Pre-Arrangement Common Shares under the Dissent Rights.

Highland Parent shall be entitled to deduct or withhold from any payment to a Shareholder that has validly exercised its Dissent Rights any taxes or other amount as required to be deducted or withheld by Highland Parent under the ITA and any other applicable laws. Highland Parent shall remit such deducted or withheld taxes or other amounts to the relevant tax authority. Any such taxes or other amounts remitted by Highland Parent to any relevant tax authority shall be considered to have been paid to such Shareholder by Highland Parent on account of any amount owing by Highland Parent to such Shareholder in respect of the exercise of its dissent rights.

5. REGISTRATION AND CERTIFICATES

5.1 Entitlement to Certificates

As soon as practicable after the Effective Date, Highland Red Lake will cause to be delivered to the Transfer Agent, to be delivered to the holders of Common Shares in accordance with the terms hereof, share certificates representing in the aggregate the Highland Red Lake Shares and warrant certificates representing in aggregate the and Highland Red Lake Warrants, to which such holders are entitled following the Arrangement.

5.2 Withholding Rights

Highland Parent, Highland Red Lake and the Transfer Agent will be entitled to deduct and withhold from all dividends, distributions or other amounts otherwise payable to any holder of Common Shares, Highland Parent RSUs or Highland Parent Warrants such amounts as Highland Parent, Highland Red Lake or the Transfer Agent is required or permitted to deduct and withhold with respect to such payment under the ITA or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Highland Parent Shareholder in respect of which such deduction and withholding was made, provided, however, that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that any shares or other non-cash consideration is required to be deducted or withheld from any payment to a holder of Common Shares, Highland Parent RSUs or Highland Parent Warrant, any of Highland Parent, Highland Red Lake or the Transfer Agent is hereby authorized to sell or otherwise dispose of shares or other consideration as is necessary to provide sufficient funds to enable Highland Parent, Highland Red Lake or the Transfer Agent to comply with all deduction or withholding requirements applicable to it, and Highland Parent, Highland Red Lake or the Transfer Agent will notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

5.3 Use of Postal Services

Any certificate which any person is entitled to receive in accordance with this Plan of Arrangement will (unless the Transfer Agent has received instructions to the contrary from or on behalf of such person prior to the Effective Date) be forwarded by first class mail, postage prepaid, or in the case of postal disruption in Canada, by such other means as the Transfer Agent may deem prudent.

6. AMENDMENT AND TERMINATION

- 6.1** The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement made following the Meeting must be contained in a written document which is filed with the Court and if required by the Court, approved by the Court and communicated to Shareholders in the manner required by the Court (if so required).
- 6.2** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Parties at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.
- 6.3** Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting shall be effective only if it is consented to by the Parties (acting reasonably) and, if required by the Court, approved by Shareholders voting in the manner directed by the Court.
- 6.4** This Plan of Arrangement may be withdrawn prior to the Effective Date in accordance with the terms of the Agreement.

SCHEDULE "G" – DISSENT PROVISIONS
[See attached.]

Division 2 – Dissent Proceedings

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238

(1) (g), the court orders otherwise or the resolution provides otherwise

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or
 - (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns

shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) or (1.1) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under [section 242](#) from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation,

to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE “H” – AUDIT COMMITTEE CHARTER
[See attached.]

CHARTER OF THE AUDIT COMMITTEE

1. Membership

1.1 The audit committee (the "**Committee**") of the board of directors (the "**Board**") of Highland Critical Minerals Corp. (the "**Company**") shall consist of three (3) or more directors. A majority of the members of the Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company.

1.2 If the Chief Financial Officer (the "**CFO**") of the Company is a member of the Committee, there will be a clear delineation of responsibilities between the CFO's management role and the CFO's Committee functions to ensure that financial information is evaluated effectively.

1.3 Each member of the Committee must be financially literate, as this term is defined under National Instrument 52-110 - Audit Committees (the "**Instrument**").

1.4 The Board shall appoint members to the Committee. The members of the Committee shall be appointed for one-year terms after each annual securityholders' meeting and shall serve until a successor is duly appointed by the Board or until the member's earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all the Committee's powers so long as a quorum exists.

1.5 New Committee members shall be provided with an orientation program to educate them on the Company, their roles and responsibilities on the Committee and the Company's financial reporting and accounting practices. Committee members shall also receive training, as necessary, to increase their understanding of financial, accounting, auditing and industry issues applicable to the Company.

1.6 The Board may appoint the chair of the Committee (the "**Chair**") from the Committee members.

1.7 A quorum for decisions of the Committee shall be two members.

2. Committee Meetings

2.1 The Committee shall meet at least quarterly at such times and places as determined by the Committee. The Committee is governed by the same rules regarding meetings (including the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), notice of meetings and waiver of notice by committee members, written resolutions in lieu of a meeting and voting at meetings that apply to the Board.

2.2 Notice of the time and place of a Committee meeting shall be given by the Committee to the Company's external auditor (the "**Auditor**") in the same manner notice is provided to Committee members. The Committee shall provide the Auditor with all meeting materials in advance of the meeting.

2.3 All meetings of the Committee shall be led by an independent director.

2.4 The Chair shall seek input from Committee members, the Company's management, the Auditor and Board members when setting each Committee meeting's agenda.

2.5 Any written material to be provided to Committee members for a meeting must be distributed in advance of the meeting to give Committee members time to review and understand the information.

2.6 The chair of the Board (the "**Board Chair**"), the chief executive officer of the Company ("**CEO**") and chief CFO and any other member of senior management may, if invited by the Chair, attend, give presentations relating to their responsibilities and otherwise participate at Committee meetings. Other Board members may also, if invited by the Chair, attend and participate at Committee meetings.

2.7 The Committee may appoint a Committee member or any other attendee to be the secretary of a meeting. The Chair shall circulate minutes of all Committee meetings to the Company's Board members and its Auditor. The Committee shall report its decisions and recommendations to the Board promptly after each Committee meeting.

2.8 The Committee may meet for a private session, excluding management or other third parties, following each Committee meeting or as otherwise determined by the Committee.

2.9 The CFO, if serving as a Committee member, shall disclose any potential conflicts of interest to the Committee at each meeting. Any such conflicts of interest shall be documented in the meeting minutes.

2.10 The CFO, if serving as a Committee member, is required to vote, and the CFO's management duties conflict with their role as a member of the Committee, the CFO shall abstain from voting.

3. Purpose, Role, Authority

3.1 The purpose of the Committee is to oversee the Company's accounting and financial reporting processes and the preparation and auditing of the Company's financial statements.

3.2 The Committee is authorized by the Board to investigate any matter set out in this Charter or otherwise delegated to the Committee by the Board.

4. Duties and Responsibilities

4.1 The Committee has the duties and responsibilities set out in Section 5 to Section 14 of this Charter, as may be amended, supplemented or restated from time to time.

5. External Auditor – Appointment and Removal

The Committee shall:

5.1 Consider and recommend to the Board, to put forward for shareholder approval at the annual meeting, an Auditor that will be appointed or reappointed to prepare or issue an auditor's report and perform audit, review, attest or other services for the Company in compliance with the Instrument and, if necessary, recommend to the Board the Auditor's removal.

5.2 Recommend to the Board the Auditor's compensation and otherwise setting the terms of the Auditor's engagement (including reviewing and negotiating the Auditor's engagement letter).

5.3 Review and monitor the independence of the Auditor.

5.4 At least once per fiscal year, review the qualifications and performance of the Auditor and the Auditor's lead partners and consider and decide if the Company should adopt or maintain a policy of rotating the accounting firm serving as the Company's Auditor.

6. Auditor Oversight – Audit Services

The Committee shall:

6.1 Require the Auditor to report directly to the Committee.

6.2 Discuss with the Auditor: (a) before an audit commences, the nature and scope of the audit, the Auditor's responsibilities in relation to the audit, the overall audit strategy, the timing of the audit, the processes used by the Auditor to identify risks and reporting such risks to the Committee; and (b) any other matters relevant to the audit.

6.3 Review and discuss with the Auditor all critical accounting policies and practices to be used in the audit, all alternative treatments of financial information that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the Auditor.

6.4 Review any major issues regarding accounting principles and financial statement presentation with the Auditor and the Company's management, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

6.5 Review and discuss with the Auditor and management any problems or difficulties encountered during the audit, including restrictions on the scope of activities or access to information, and any significant disagreements between the Auditor and management in relation to financial reporting. The Committee may meet with the Auditor and management (together or separately) to discuss and resolve such disagreements.

6.6 Review all material communications between management and the Auditor, including reviewing the Auditor's management letter and management's response.

6.7 Create (if required), review and approve the Company's policies respecting the Company's hiring of any (former or current) Auditor's past or present employees or past or present partners that participated in any capacity in any Company audit.

6.8 Oversee any other matters relating to the Auditor and the performance of audit services on the Company's behalf.

7. Auditor Oversight – Non-Audit Services

The Committee shall:

7.1 Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries in accordance with the Instrument.

7.2 Notwithstanding Section 7.1, delegate the pre-approval of non-audit services to a member or certain members of the Committee. These member or members shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.

8. Internal Controls

The Committee shall:

8.1 Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors (the "**Internal Auditors**") have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no Internal Auditors, consider, on an annual basis, whether the Company requires Internal Auditors and make related recommendations to the Board.

8.2 Oversee an effective system of internal controls and procedures for the Company relating to the financial reporting process and disclosure of the financial results ("**Internal Controls**").

8.3 Review with management and the Internal Auditors (with each privately or together) the adequacy and effectiveness of the Company's Internal Controls, including any significant deficiencies or material weaknesses in the design or operation of the Internal Controls and determine if any special steps must be adopted by the Auditor during its audit in light of any such deficiencies or weaknesses.

8.4 Review management's roles, responsibilities and performance in relation to the Internal Controls.

8.5 Review, discuss and investigate: (a) any alleged fraud involving the Company's management or employees in relation to the Internal Controls, including management's response to any allegations of fraud; (b) implement corrective and disciplinary action in cases of proven fraud; and (c) determine if any special steps must be adopted by the Auditor during its audit in light of any proven fraud or any allegations of fraud.

8.6 Establish and monitor the procedures for: (a) the receipt, retention and treatment of complaints that the Company receives relating to its Internal Controls; (b) the anonymous submission of employees' concerns relating to questionable accounting or audit matters engaged in by the Company; and (c) the independent investigation of the matters set out in Section 8.6(a) and Section 8.6(b), including appropriate follow up actions.

8.7 Review and discuss with the CEO and CFO, or those officers who perform the duties similar to a CEO or CFO, the steps taken to complete the required certifications of the annual and interim filings with applicable securities commissions.

9. Financial Statements

The Committee shall:

9.1 Review and discuss with the Auditor and management the Company's annual audited financial statements and the accompanying Auditor's report and management discussion and analysis ("**MD&A**"). The Committee's review of the annual audited financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (a) significant accounting policies, including any changes made to them and the effect this may have on the Company; (b) significant estimates and assumptions; (c) significant adjustments resulting from the an audit; (d) the going concern assumption; (e) compliance with accounting standards; (f) investigations and litigation undertaken by regulatory authorities; (g) the impact of unusual transactions; and (h) off-balance sheet and contingent asset and liabilities, and related disclosures.

9.2 Assess (a) the quality of the accounting principles applied to the financial statements; (b) the clarity of disclosure in the financial statements; and (c) whether the audited annual financial statements present

fairly, in all material respects, in accordance with GAAP, the Company's financial condition, operational results and cash flows.

9.3 Upon satisfactory completion of its review, recommend the annual audited financial statements, Auditor's report and annual MD&A for Board approval.

9.4 Review the interim financial statements and related MD&A with the Auditor and management, and if satisfied that the interim financial statements meet the criteria set out in Section 9.2 to recommend to the Board that it approve the interim financial statements and accompanying MD&A.

10. Disclosure of Financial Statements

The Committee shall:

10.1 Review and discuss with management the design, implementation and maintenance of effective procedures relating to the Committee's prior review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements ("**Disclosure Procedures**"); ensure that the Disclosure Procedures put in place are followed by the Company's management and employees; and periodically assess the adequacy of the Disclosure Procedures.

10.2 Review the Company's profit and loss press releases and other related press releases before they are released to the public, including the Company's annual information form, earnings press releases and any other public disclosure documents required by applicable securities commissions; and review the nature of any financial information and ratings information provided to agencies and analysts in accordance with the Company's disclosure policy.

10.3 Monitor and review the Company's policy on confidentiality and disclosure on a yearly basis.

11. Risk Management

The Committee shall:

11.1 Review and discuss with management and the Internal Auditors (each privately or together) policies and guidelines to govern the processes by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and fraud, and the steps management has taken to monitor and control such exposures.

11.2 Review the periodic reports delivered to the Committee by the Internal Auditors; and oversee the processes by which major Company risks are reviewed by either the Committee, another Board committee or the full Board.

12. Legal Compliance. The Committee shall review with legal counsel any legal matters, including inquiries received from regulators and governmental agencies, that may have a significant effect on the Company's financial statements, cash flows or operations, and review and oversee any policies, procedures and programs designed by the Company to promote legal compliance.

13. Related Party Transactions. The Committee shall review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with Canadian corporate or securities laws.

14. Other Duties and Responsibilities. The Committee shall complete any other duties and responsibilities delegated by the Board to the Committee from time to time.

15. Meetings with the Auditor. Notwithstanding anything set out in this Charter to the contrary, the Committee may meet privately with the Auditor or Internal Auditors as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities and to discuss any concerns of the Committee or Auditor in relation to the matters covered by the Committee's Charter, including the effectiveness of the Company's financial recording procedures and systems and management's cooperation and responsiveness to matters arising from the audit and non-audit services performed by the Auditor.

16. Meetings with Management. The Committee may meet privately with management and the Company's Internal Auditors (together or separately) as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities to discuss any concerns of the Committee, management or the Internal Auditors.

17. Outside Advisors. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

18. Reporting. The Committee shall report to the Board on all matters set out in this Charter and other matters assigned to the Committee by the Board, including: (a) the Auditor's independence; (b) the Auditor's performance and the Committee's recommendation to reappoint or terminate the Auditor; (c) the Internal Auditors' performance; (d) the adequacy of the Internal Controls; (e) the Committee's review of the Company's annual and interim financial statements, and any GAAP reconciliation, including any issues respecting the quality and integrity of financial statements, along with the MD&A; (f) the Company's compliance with legal and regulatory matters and such matters affect the financial statements; and (g) the Company's risk management programs and any risks identified in accordance with this program.

19. Charter Review. The Committee shall review this Charter and recommend any proposed changes to the Board for approval.

20. Performance Evaluation. The Committee shall conduct an annual evaluation of the performance of its duties and responsibilities under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

21. No Rights Created. This Charter is a broad policy statement and is intended to be part of Committee's flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.

SCHEDULE "I" – INFORMATION CONCERNING HIGHLAND RED LAKE
[See attached.]

SCHEDULE “I”
INFORMATION CONCERNING HIGHLAND RED LAKE

NOTICE TO READER AND BASIS OF PRESENTATION

All capitalized terms used in this Schedule but not otherwise defined herein have the meanings set forth in the “Glossary of Terms” in the Circular. No securities regulatory authority has expressed an opinion about the Plan of Arrangement, the Highland Red Lake Shares, the Highland Red Lake RSUs, or the Highland Red Lake Warrants to be issued pursuant to the Plan of Arrangement and it is an offense to claim otherwise. An investment in Highland Red Lake or the Company should be considered highly speculative due to the nature of their activities and the present stage of their development. See Section titled “*Risk Factors*”.

The following information is presented on a post-Plan of Arrangement basis and is reflective of the proposed business, financial and share capital position of Highland Red Lake. Unless otherwise indicated, all currency amounts are stated in Canadian dollars. The following information is a summary of the business and affairs of Highland Red Lake and should be read together with the more detailed information including the financial statements of Highland Red Lake’s for the period from incorporation (July 8, 2025) to August 31, 2025 and related management discussion and analysis (“MD&A”) and auditor reports thereto are included in this Circular as Schedule “D”, and may be obtained online from SEDAR+ at www.sedarplus.ca. In this Schedule “I” (this “Schedule”), dollar amounts are expressed in Canadian dollars unless otherwise stated.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The following describes the proposed business of Highland Red Lake Gold Corp. (“**Highland Red Lake**”) following the completion of the Arrangement and should be read together with the audited financial statements of Highland Red Lake, attached as Schedule “D” to the Circular to which this Schedule is attached. Except where the context otherwise requires, all of the information contained in this Appendix is made on the basis that the Arrangement has been completed as described in the Circular.

Unless the context otherwise requires, all references in this Appendix to “Highland Red Lake” means “Highland Red Lake Gold Corp.” Certain other terms used in this Appendix that are not otherwise defined herein are defined under “*Glossary of Terms*” in the Circular to which this Appendix is attached.

Forward-looking statements in this section include, but are not limited to, statements regarding:

- The completion of the Arrangement and the resulting corporate structure of Highland Red Lake;
- The exploration and development plans for mineral claims in the Red Lake Gold District of Northern Ontario under the Red Lake Option Agreement;
- The anticipated timeline for completion of exploration programs, including geological mapping, prospecting, rock sampling, and airborne surveys, with results expected in the fourth quarter of 2025;
- The intention to carry out private placement equity financings for gross proceeds of approximately \$250,000, and the expected use of available funds for exploration activities, operations, and working capital;
- The expectation that Highland Red Lake will become a reporting issuer in Alberta, Ontario, and British Columbia;
- The anticipated issuance and structure of Highland Red Lake Shares, Highland Red Lake Warrants, and Highland Red Lake RSUs upon completion of the Arrangement;
- The ability to obtain necessary permits, licenses, and regulatory approvals for exploration and development activities; and
- The potential for future discoveries and the value of mineral properties in the Red Lake Gold District.

Forward-looking information is subject to various risks and uncertainties, including but not limited to:

- The inherent uncertainty of mineral exploration results and fluctuating commodity prices;
- The ability to secure sufficient funding for staged payments and exploration expenditures required under the Red Lake Option Agreement;
- Regulatory risks, including the need for shareholder approval, court orders, and compliance with Canadian and U.S. securities laws;
- Risks related to title, permitting, and environmental compliance;
- Operational risks associated with exploration activities, including delays, cost overruns, and evolving geological information;
- The possibility that the Arrangement may not be completed as anticipated or at all;
- The lack of assurance that Highland Red Lake Shares will be listed on a stock exchange or that a trading market will develop; and
- Dilution resulting from future issuances of securities.

OVERVIEW

On completion of the Arrangement, Highland Red Lake will continue as a corporation existing under the laws of the Province of British Columbia. Highland Red Lake will become a reporting issuer in British Columbia, Alberta, and Ontario.

Highland Shareholders of record as of the Distribution Record Date will receive, for each Highland Share held, 0.5 Highland Red Lake Share and 0.5 Highland Red Lake Warrant. The Highland Red Lake Warrants are exercisable for one Highland Red Lake Share at a price of \$0.15 per warrant for five years. Holders of Highland RSUs and Highland Warrants will also receive corresponding entitlements in Highland Red Lake, as described in the Plan of Arrangement.

Highland Red Lake's principal focus will be the exploration and development of certain mineral claims in the Red Lake Gold District of Northern Ontario, in accordance with the Red Lake Option Agreement. As of the Effective Date, these properties represent Highland Red Lake's only material mineral project.

CORPORATE STRUCTURE

Highland Red Lake was incorporated as "Highland Red Lake Gold Corp." under the BCBCA on July 8, 2025. Highland Red Lake is currently a private company and a wholly owned subsidiary of Highland Critical Minerals Corp. Highland Red Lake has no subsidiaries and its head office and principal business address is 801-1 Adelaide Street East, Toronto, Ontario, Canada, M5C 2V9, and its registered and records office are located at 1272 Connaught Drive, Vancouver, BC V6H 2H2.

It is expected that following completion of the Arrangement, Highland Red Lake will be a reporting issuer in Alberta, Ontario, and British Columbia with no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Highland Red Lake was incorporated on July 8, 2025, and is a wholly-owned subsidiary of Highland. Highland Red Lake was incorporated for the purposes of entering into the Red Lake Option Agreement (as defined herein).

On July 10, 2025, Highland Red Lake entered into a property option agreement (the "**Red Lake Option Agreement**") with a third party (the "**Optionor**"). Under the Red Lake Option Agreement, the Optionor granted Highland Red Lake the exclusive right to acquire a 100% interest in mining claim blocks in the northwestern extension of the Red Lake Gold District, comprising approximately 3,366 hectares (the "**Initial Option**"), as well as an exclusive secondary option to earn a 100% interest in an adjacent 3,090-hectare property (the "**2nd Option**"), and together with the Initial Option, the "**Options**"). The Options are each subject to a 2.0% net smelter returns ("**NSR**") royalty in favour of the Optionor. The properties are prospective for greenstone extensions along a deep-tapping regional structure located in the northwestern extension of the prolific Highland Red Lake Gold Camp in the Red Lake Gold District of Ontario.

The Options are subject to consideration and work commitments. Upon completion of all payments and work commitments as described below, and delivery of notice and executed royalty agreement, Highland Red Lake acquires a 100% interest in the property underlying the Initial Option, subject to the NSR royalty:

- (a) Highland Red Lake paid the Optionor \$7,500 within 5 days of the Red Lake Option Agreement's effective date;
- (b) Highland Red Lake is to pay the Optionor \$5,000 within 5 days of a receipt of a recommended exploration and development report;
- (c) Highland Red Lake to pay the Optionor \$80,000 within 15 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Highland Red Lake Shares;
- (d) Highland Red Lake to pay the Optionor \$80,000 within 24 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Highland Red Lake Shares; subject to reduction if claims are dropped per the Red Lake Option Agreement; and
- (e) Highland Red Lake is to spend a minimum of \$60,000 in qualifying exploration expenditures (the "**Qualifying Expenditures**") on the Property underlying the Initial Option by January 21, 2026. In the event that the entire Initial Work Commitment is not expended by January 21, 2026, the difference between the actual spend and the \$60,000 will be owed to the Optionor by the Optionee and the applicable Option will then terminate.

Upon completion of all payments and work commitments as described below, and delivery of notice and executed royalty agreement, Highland Red Lake acquires a 100% interest in the Property underlying the 2nd Option, subject to the NSR royalty:

- (a) Highland Red Lake to pay the Optionor \$80,000 within 15 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Class A Voting Common Shares in the capital of Highland Red Lake; and
- (b) Highland Red Lake to pay the Optionor \$80,000 within 24 months of the effective date, and at the election of the Optionee, up to 25% may be paid in Class A Voting Common Shares in the capital of Highland Red Lake.

There is no minimum work commitment to exercise the 2nd Option, and it may be exercised at any time within 24 months of the Red Lake Option Agreement's effective date, upon completion of the required payments and delivery of notice and executed royalty agreement.

If the Optionee pays the payments to the Optionor in the form of both cash and Class A Shares, then:

- (a) if the Highland Red Lake Shares are then listed on the Canadian Securities Exchange ("**CSE**"), then the price per Highland Red Lake Share will be determined with the number of Highland Red Lake Shares being based on a per share deemed issue price equal to the 15 day volume-weighted average price of the shares for the period of any twenty (20) consecutive trading days on the CSE ending on the date that is two business days prior to the date of issuance of the additional Highland Red Lake Shares, subject to a minimum price equal to the lowest price permitted by the CSE; and
- (b) if the Highland Red Lake Shares are not then listed on the CSE, then the price per share will be determined based on the issue price in the Optionee's most recent financing of Highland Red Lake Shares.

The Arrangement Agreement dated August 19, 2025, between Highland and Highland Red Lake sets out the terms for a corporate arrangement under Section 288 of the British Columbia Business Corporations Act. On the Effective Date, all issued and unissued Highland Shares will be redesignated and exchanged for New Highland Shares, Highland Red Lake Spinout Shares, and Highland Red Lake Warrants, with fractional entitlements rounded down. Highland Warrants will be amended so that, upon exercise, each warrant entitles the holder to receive one New Highland Share, 0.5 Highland Red Lake Share, and 0.5 Highland Red Lake Warrant for each underlying share previously issuable. If exercised before the Effective Date, the holder receives only the Highland Red Lake entitlements. Highland RSUs will be exchanged so that each

outstanding Highland RSU is replaced by one Highland Replacement RSU (entitling the holder to one New Highland Share, with the same vesting and terms as the original Highland RSU) and one Highland Red Lake RSU (entitling the holder to 0.5 Highland Red Lake Share and 0.5 Highland Red Lake Warrant, subject to vesting).

The Arrangement is subject to shareholder approval, court orders, and compliance with regulatory requirements, including exemptions from U.S. and Canadian securities registration. Shareholders have dissent rights, and any payments to dissenting shareholders will be subject to applicable tax withholdings. The Arrangement Agreement also outlines conditions precedent, representations and warranties of both parties, and procedures for amendment or termination. Pursuant to the Arrangement Agreement, approximately 15,635,416 Highland Red Lake Shares and 15,635,416 Highland Red Lake Warrants will be distributed to the Highland securityholders, and an aggregate of approximately 2,750,000 Highland Red Lake Shares will be retained by Highland.

Additionally, on or about August 17, 2025, certain Highland Shareholders entered into support and voting agreements in connection with the proposed Plan of Arrangement, pursuant to which they have agreed on and subject to the terms thereof, among other things, to vote or cause to be voted in favour of the Plan of Arrangement and any other matters that could reasonably be expected to facilitate the Plan of Arrangement. As of the Record Date, 73.8% of Highland Shares were subject to the voting and support agreements.

Other than entering into the Red Lake Option Agreement and the Arrangement Agreement, Highland Red Lake has not entered into any material agreements.

NARRATIVE DESCRIPTION OF THE BUSINESS

Highland Red Lake will operate as a distinct entity focused on the advancement and management of the Red Lake Option Agreement. Following the Arrangement, Highland Red Lake will hold and administer the properties underlying the Options, with its business activities centered on exploring, developing, and potentially operating mineral projects under the terms of the Red Lake Option Agreement. Highland Red Lake's mandate is to maximize the value of the Red Lake Gold Camp through diligent exploration, strategic partnerships, and compliance with all regulatory requirements, positioning itself as a dedicated vehicle for unlocking the mineral potential of the Red Lake Gold Camp.

Over the next year and following completion of the Arrangement, Highland Red Lake plans to appeal to prospective investors as a northern Ontario, gold-focused exploration company, primarily focused on the exploration and development of certain claims in the Red Lake Gold District in Ontario, Canada.

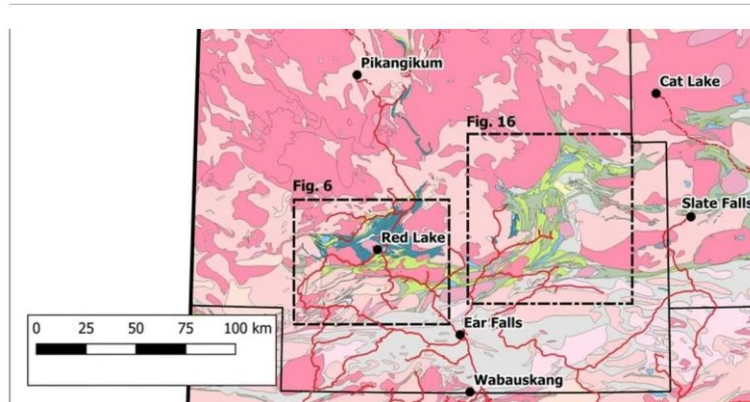
Highland Red Lake is not currently a reporting issuer, and the Highland Red Lake Shares are not listed on any stock exchange. If the Arrangement is completed, Highland Red Lake will be a reporting issuer in British Columbia, Alberta and Ontario.

Other than as disclosed herein, Highland Red Lake is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on business financial condition, or results of operations as at the date of the Circular.

Property Location and Description

The Options cover two prospective claim blocks in the northwestern extension of the Red Lake Gold District in Ontario, Canada sits on major crustal-scale structures (E1/E2) that elsewhere in the district are spatially associated with large gold systems. The property covers approximately 6,456 hectares, with the Initial Option covering 3,366 hectares and the 2nd Option covering 3,090 hectares. The claims underlying the Options straddle a "Central Silver" flexure in Archean supracrustals mapped by Buse & Préfontaine (2007), a classic trap site for gold-bearing fluids. The properties are accessible via existing roads and are located near established mining infrastructure in the Red Lake Gold District.

Gold in Red Lake is strongly controlled by deep-tapping seismic structures; Highland Red Lake overlies the surface projection of the E2 structure, analogous to structures beneath the Mine Trend and Dixie/LP Fault. Historic float (1.02 g/t Au) and >95–99th percentile Au in tills in the broader project area (now rebranded under Highland Red Lake) strengthen the case that mineralized fluids moved through this corridor.



Major Crustal Structures Projected to Surface on Highland Ground Add Discovery Potential

In February 2021, the Ontario Geological Survey (“OGS”) highlighted the northern extension of the Highland Red Lake greenstone belt in its annual ‘Recommendations for Exploration’ (publication 1). In that report the OGS drew attention to the interpretations of seismic profile data (2,3). Collectively, these references identify two major crustal features, referred to as E1 and E2. According to the OGS, similar structures farther south are spatially associated with the Highland Red Lake Mine trend and the LP Fault at the Dixie Project, formerly held by Great Bear Resources (now Kinross Gold Corp.), respectively. E1 and E2 may represent major deep-tapping crustal features that act as regionally significant controls on mineralizing systems within the district.

Employees

Upon completion of the Arrangement, Highland Red Lake will have no direct employees beyond its management team. Highland Red Lake expects to share management with Highland and will reimburse Highland as required, and will also rely on and engage consultants on a contractual basis. The management team of Highland Red Lake will consist of those individuals identified under “*Directors and Officers*”.

Significant Acquisitions and Dispositions

Highland Red Lake did not complete any acquisitions or dispositions during the most recently completed financial year.

Intellectual Property

Highland Red Lake does not own, license, or otherwise possess any patents, trademarks, copyrights, trade secrets, proprietary technologies, or other forms of intellectual property. Highland Red Lake has not developed or acquired any intellectual property assets, nor does it rely on any proprietary processes, software, or technology in its operations.

Cyclicalities and Seasonality

The mineral exploration industry is subject to both cyclicalities and seasonality. Cyclicalities arises from fluctuations in commodity prices, investor sentiment, and access to capital, which can impact the timing and scale of exploration activities. Periods of low commodity prices or reduced investor interest may limit the company’s ability to raise funds and advance its projects.

Seasonality affects the company’s operations due to weather conditions and access constraints in northern Ontario. Field exploration activities, including drilling, mapping, and sampling, are typically concentrated in periods of favorable weather, generally from late spring to early fall. Winter conditions, heavy rainfall, or other adverse weather

events may restrict access to the property, delay exploration programs, or increase costs. As a result, Highland Red Lake's exploration expenditures and progress may vary significantly throughout the year.

These factors may impact Highland Red Lake's ability to complete work commitments under the Red Lake Option Agreement, meet project milestones, and achieve its business objectives on schedule.

Competitors

Highland Red Lake operates in the highly competitive Red Lake Gold District of Ontario, Canada, which is recognized as one of the world's premier gold mining regions. Highland Red Lake faces competition from numerous junior and senior mining and exploration companies that are actively exploring, developing, or operating mineral properties in the district and surrounding areas.

Notable competitors include:

- Kinross Gold Corp. (operator of the Dixie Project, formerly Great Bear Resources)
- Evolution Mining Limited (owner/operator of the Red Lake Gold Mine)
- West Red Lake Gold Mines Ltd.
- Trillium Gold Mines Inc.
- Premier Gold Mines Limited (now part of Equinox Gold)
- Pure Gold Mining Inc.
- Battle North Gold (formerly Rubicon Minerals Corporation)
- First Mining Gold Corp.
- BTU Metals Corp.
- MaxTech Ventures Inc.

Many of these competitors possess greater financial resources, technical expertise, and established operations. Highland Red Lake's ability to attract investment, secure exploration opportunities, and advance its mineral projects depends on its capacity to demonstrate exploration success and differentiate itself within this competitive landscape. The presence of established operators and active explorers in the Red Lake Gold District may impact Highland Red Lake's access to prospective properties, skilled personnel, and investor interest.

Trends, Risks and Uncertainties

The Red Lake Gold District continues to attract exploration investment due to its reputation for tier-one gold systems and the identification of major crustal structures by the Ontario Geological Survey. This trend supports ongoing interest and potential for new discoveries in the region. However, the business and operations of Highland Red Lake Gold Corp. are subject to several risks and uncertainties. Key risks include the inherent uncertainty of mineral exploration results, fluctuating commodity prices, and the ability to secure sufficient funding for staged payments and exploration expenditures required under the option agreement. Regulatory risks exist, as the completion of the arrangement and property acquisition is contingent on shareholder approval, court orders, and compliance with Canadian and U.S. securities laws. There is also the risk of adverse material changes in business, market conditions, or financial markets, which could impact the viability of the arrangement or the company's ability to proceed with exploration and development. Uncertainties related to title, permitting, and environmental compliance may affect the timeline and cost of advancing the property. Additionally, the agreement includes a net smelter return royalty and buyback provisions, which may impact future project economics. Finally, the company may face operational risks associated with exploration activities, including delays, cost overruns, and the need to adapt to evolving geological information and market conditions. Shareholders should be aware that mineral exploration is speculative and subject to factors beyond the company's control, which may materially affect the value and prospects of the properties underlying the Options. See Section titled "*Risk Factors*" for further information.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Financing

Before or concurrently with the completion of the Arrangement, Highland Red Lake intends to carry out one or more private placement equity financings for gross proceeds of approximately \$250,000. Additional details regarding the Highland Red Lake financings, if required will be announced by way of press release at a later date. The proceeds of the Highland Red Lake financings will be used primarily for expenses related to exploration work as part of the Red Lake Option Agreement and for general working capital of Highland Red Lake. Please see "*Principal Purposes for Available Funds*" for further details.

Principal Purposes for Available Funds

As of the date of this Circular, Highland Red Lake has \$60,000 in working capital. Assuming full participation in the Highland Red Lake financings, it is anticipated that Highland Red Lake will have available working capital of approximately \$310,000.

Assuming completion of the Highland Red Lake financings and the Arrangement, Highland Red Lake will use the available funds as follows:

| Use of Proceeds | Available Funds |
|---|-----------------|
| Exploration activities as part of the Red Lake Option Agreement | 150,000 |
| Ongoing operations and administration costs (12 months) | 65,000 |
| Payments pursuant to the Red Lake Option Agreement ⁽¹⁾ | 80,000 |
| Unallocated working capital | 15,000 |
| Total | 310,000 |

Notes

- (1) Highland Red Lake to pay the Optionor \$80,000 within 15 months of the effective date, pursuant to the Red Lake Option Agreement.

The funds available for ongoing operations will be sufficient to meet Highland Red Lake's administration costs for the next 12 months. See "*Administration Expenses*", below.

Highland Red Lake intends to spend the available funds as set out above. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

Upon successful completion of the Arrangement, Highland Red Lake's timeline for completion of its exploration program will be December 2025. This exploration work currently ongoing has been focused on demonstrating lode gold potential through geological mapping, prospecting and rock sampling, and a drone based airborne magnetic and LiDAR survey. Bayside Geoscience completed a geological mapping and prospecting campaign at the end of August, and a total of 60 grab samples were collected across the RLG Claims. Assay results from this sampling are expected to be received in the calendar fourth quarter of 2025. Rosor Exploration successfully completed a drone-based LiDAR and magnetic survey at the end of September and final results and products are expected to be received in the calendar fourth quarter of 2025. The results of these programs will be incorporated into a plan for future work programs on the RLG Claims.

Administration Expenses

The following table discloses the estimated aggregate monthly and yearly administration costs that will be incurred by Highland Red Lake:

| Type of Administrative Expense | Monthly Estimated Expenditure | 12-Month Estimate Expenditure |
|--|-------------------------------|-------------------------------|
| Executive Compensation / Salaries or Consulting Fees | 1,000 | 12,000 |
| Rent and Office | 667 | 8,000 |
| Admin and Accounting | 833 | 10,000 |
| Professional Fees ⁽¹⁾ | 2,500 | 30,000 |
| Transfer Agent and Filing Fees | 417 | 5,000 |
| TOTAL | 5,417 | 65,000 |

Notes:

(2) Legal, tax and audit fees.

Business Objectives and Milestones

The net proceeds from the Highland Red Lake financings are intended to be used to advance Highland Red Lake's mineral exploration activities in the Red Lake Gold District, as well as to fund ongoing operations and working capital. The following table sets out the specific objectives and milestones for the use of available funds:

| Objective | Milestone | Estimated Timing | Budget Allocation |
|--|--|---------------------|-------------------|
| Geological mapping and prospecting | Completion of field mapping and collection of at least 60 grab samples across the RLG Claims | Q3 2025 | \$40,000 |
| Assay and analysis of samples | Receipt of assay results and interpretation of mineralization potential | Q4 2025 | \$20,000 |
| Drone-based airborne magnetic and LiDAR survey | Completion of survey and delivery of final results and products | Q4 2025 | \$40,000 |
| Preparation of technical report and exploration plan | Delivery of updated technical report and plan for future work programs | Q1 2026 | \$20,000 |
| General and administrative expenses | Payment of salaries, consulting fees, rent, accounting, legal, and filing fees | Ongoing (12 months) | \$65,000 |
| Unallocated working capital | Reserve for contingencies and additional exploration opportunities | Ongoing | \$115,000 |

Milestones will be tracked as follows:

- Fieldwork and sample collection completed by September 2025.
- Assay results received and interpreted by December 2025.
- Geophysical survey completed and results delivered by December 2025.
- Updated technical report and exploration plan prepared by March 2026.
- Administrative expenses paid monthly over the next 12 months.

Highland Red Lake will provide updates on progress toward these milestones in its quarterly and annual filings.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Financial Statements

Included as Schedule “D” to this Circular are audited financial statements of Highland Red Lake for the period from the Date of Incorporation, July 8, 2025, to August 31, 2025, comprised of the statements of financial position, income and comprehensive income, cash flows, changes in equity and notes thereon.

Selected Financial Statement Information

The following table sets out selected financial information with respect to Highland Red Lake as at August 31, 2025 and from the period of incorporation to August 31, 2025:

| | As at or for the period ended August 31, 2025 C\$ |
|----------------------------|--|
| Total Revenues | Nil |
| Net loss, in total | \$44,829 |
| Current assets | \$67,073 |
| Current liabilities | 6,542 |
| Total assets | 150,713 |
| Total liabilities | 6,542 |
| Total shareholders’ equity | 144,171 |

DIVIDENDS AND OTHER DISTRIBUTIONS

Highland Red Lake has not paid dividends since its incorporation. Highland Red Lake currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future. The Red Lake Board has the discretion to declare and authorize payment of dividends as it considers appropriate, subject to the rights of shareholders holding shares with special rights as to dividends. Dividends may be paid to one class of shares to the exclusion or partial exclusion of other classes and may be declared and paid on any class of shares to the complete exclusion of others. However, dividends cannot be paid if doing so would violate the *Business Corporations Act* (British Columbia), Highland Red Lake’s solvency requirements, or any special rights or restrictions attached to a class of shares. Highland Red Lake may also be restricted from paying dividends if it is insolvent or if such payment would render it insolvent.

There are no provisions in the articles or by-laws that impose additional restrictions on the payment of dividends beyond those required by law and the rights of shareholders as described above. There are no restrictions in the Notice of Articles that would specifically prevent the payment of dividends or distributions, other than compliance with applicable law.

DESCRIPTION OF THE CAPITAL STRUCTURE

Share Capital

The authorized share capital of Highland Red Lake includes an unlimited number of: (i) Highland Red Lake Shares; (ii) Class B Common Voting Shares; and (iii) Class C Common Non-Voting Shares, each without par value. As of the date of this Circular, there are 14,018,749 Highland Red Lake Share issued and outstanding, nil Class B Common Voting Shares issued and outstanding, and nil Class C Common Voting Shares issued and outstanding.

Voting Rights

Holders of Highland Red Lake Shares and Class B Common Voting Shares are entitled to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote.

Holders of Class C Common Non-Voting Shares do not have voting rights except as specifically provided by the *Business Corporations Act* (British Columbia).

Dividend Rights

Dividends may be declared and paid on any class of shares at the discretion of the Red Lake Board, and may be paid exclusively to one class to the exclusion or partial exclusion of other classes.

Holders of all classes of shares are entitled to receive dividends as fixed by the Red Lake Board, subject to the rights of shareholders holding shares with special rights as to dividends and compliance with applicable law. See “*Dividends and Other Distributions*” for further information.

Rights on Liquidation

In the event of liquidation, dissolution, or winding up of Highland Red Lake, holders of all three classes of shares rank *pari passu* to receive any remaining assets and properties of Highland Red Lake. The Red Lake Board has broad discretion to issue, allot, sell, grant options on, or otherwise dispose of unissued shares at such times, to such persons, and on such terms as it may determine, subject to the rights of existing shareholders and compliance with the *Business Corporations Act* (British Columbia).

Repurchases

Highland Red Lake may, if authorized by the directors, purchase or otherwise acquire any of its shares, subject to the special rights and restrictions attached to any class or series of shares and compliance with the *Business Corporations Act* (British Columbia).

Highland Red Lake Warrants

As of the date of this Circular, there were no Highland Red Lake Warrants outstanding. It is intended that after completion of the Arrangement, there will be 15,635,416 share purchase warrants of Highland Red Lake underlying the Highland Red Lake Warrants and/or Highland Red Lake RSUs to acquire Highland Red Lake Shares, each of which shall give its holder the right to acquire one additional Highland Red Lake Share at a price of \$0.15 for five years. Upon the exercise of the Highland Red Lake Warrants, holders of such Highland Red Lake Shares shall be entitled to vote at all meetings of the holders of Highland Red Lake Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Highland Red Lake Shares, to participate rateably in any distribution of the Highland Red Lake's property or assets upon liquidation or winding-up.

Highland Red Lake RSUs

As of the date of this Circular, there are no Highland Red Lake RSUs outstanding. The Highland Red Lake RSUs will be governed by the Highland Red Lake RSU Plan (as defined herein). It is anticipated that there will be 150,000 Highland Red Lake RSUs outstanding after completion of the Arrangement.

CONSOLIDATED CAPITALIZATION

The following table states the anticipated fully diluted share capital of Highland Red Lake upon completion of the Arrangement:

| Description of Security | Number of Securities ⁽¹⁾ | % of Total |
|--|-------------------------------------|-------------|
| Highland Red Lake Shares issued and outstanding after completion of the Arrangement | 21,768,749 | 53.2% |
| Highland Red Lake Shares reserved for issuance on exercise of Highland Red Lake RSU | 150,000 | 0.37% |
| Highland Red Lake Shares reserved for issuance on exercise of Highland Red Lake Warrants | 15,635,416 | 38.19% |
| Highland Red Lake Shares reserved for issuance on exercise of existing warrants of Highland Red Lake | 3,883,333 | 8.26% |
| TOTAL | 40,937,498 | 100% |

Notes:

- (1) Based on 20,773,332 Highland Shares and 300,000 Highland RSUs issued and outstanding as at the date of this Circular, and assuming no convertible securities in the capital of Highland are exercised prior to the Effective Date, and that no Highland Shares are issued from treasury prior the Effective Date.

As of the date of this Circular, Highland Red Lake has not made a final determination as to the quantum of grants of awards to eligible persons of Highland Red Lake in connection with the completion of the Arrangement, if any. See “*Highland Red Lake Incentive Plans*”.

HIGHLAND RED LAKE INCENTIVE PLANS

As of the date of this Circular, Highland Red Lake has adopted two equity incentive plans: (i) the option plan (the “**Highland Red Lake Option Plan**”); and (ii) the restricted share unit plan (the “**Highland Red Lake RSU Plan**”). Summaries of both equity incentive plans are provided below, which are qualified by the entire text of the Highland Red Lake Option Plan and the Highland Red Lake RSU Plan, as applicable. There are nil options in the capital of Highland Red Lake and nil RSUs in the capital of Highland Red Lake outstanding as of the date of this Circular.

Highland Red Lake Option Plan

The Highland Red Lake Option Plan is attached as Appendix “A” to this Schedule “I”.

Administration

The Highland Red Lake Option Plan shall be administered by the board of directors of Highland Red Lake (the “**Red Lake Board**”), a special committee of the Red Lake Board or by an administrator appointed by the Board or the Committee (the “**Administrator**”) either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Highland Red Lake Option Plan to such directors, officers, employees or consultants of Highland Red Lake, as the Red Lake Board, the Committee or the Administrator may from time to time designate.

Number of Highland Red Lake Shares Reserved

Subject to adjustment as provided for in the Highland Red Lake Option Plan, the aggregate number of Highland Red Lake Shares which will be available for purchase pursuant to Options granted under the Highland Red Lake Option Plan shall not exceed 10% of the number of Highland Red Lake Shares which are issued and outstanding on the particular date of grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Highland Red Lake Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to the Highland Red Lake Option Plan.

Exercise Price

The exercise price at which an Option holder may purchase a Highland Red Lake Share upon the exercise of an Option

shall be determined by the Committee and shall be set out in the stock option certificate (an “**Option Certificate**”) issued in respect of the option in the capital of Highland Red Lake (a “**Red Lake Stock Option**”). The exercise price shall not be less than the price determined in accordance with Exchange policies while, and if, Highland Red Lake’s Shares are listed on the CSE.

Maximum Term of Options

The term of any Red Lake Stock Option granted under the Highland Red Lake Option Plan shall be determined by the Red Lake Board, the Committee or the Administrator, as applicable, at the time the Red Lake Stock Option is granted but, subject to earlier termination in the event of termination, or in the event of death or disability of the Red Lake Stock Option holder. In the event of death or disability, the Red Lake Stock Option shall expire on the earlier of the date which is one year following the date of disability or death and the applicable expiry date of the Red Lake Stock Option. Red Lake Stock Options granted under the Highland Red Lake Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Termination

Subject to such other terms or conditions that may be attached to Red Lake Stock Option granted under the Highland Red Lake Option Plan, a Red Lake Stock Option holder may exercise a Red Lake Stock Option in whole or in part at any time and from time to time during its term. Any Red Lake Stock Option or part thereof not exercised within the its term shall terminate and become null, void and of no effect as of the date of expiry of the Red Lake Stock Option. The expiry date of a Red Lake Stock Option shall be the date so fixed by the committee at the time the Red Lake Stock Option is granted as set out in the Red Lake Stock Option Certificate or, if no such date is set out in the Red Lake Stock Option Certificate, the date established, if applicable, in paragraphs (a) or (b) below or in the event of death or disability (as discussed above under “*Maximum Term of Options*”) or in the event of certain triggering events occurring, as provided for under the Highland Red Lake Option Plan:

(a) **Ceasing to Hold Office** - In the event that the Red Lake Stock Option holder holds his or her Red Lake Stock Option as an executive and such Red Lake Stock Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Red Lake Stock Option shall be, unless otherwise determined by the Committee, the Red Lake Board or the Administrator, as applicable and expressly provided for in the Stock Option certificate, the 30th day following the date the Stock Option holder ceases to hold such position unless the Red Lake Stock Option holder ceases to hold such position as a result of: (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to Highland Red Lake; (ii) a special resolution having been passed by the shareholders of Highland Red Lake removing the Red Lake Stock Option holder as a director of Highland Red Lake or any of its subsidiaries; or (iii) an order made by any regulatory authority having jurisdiction to so order; in which case the expiry date shall be the date the Red Lake Stock Option holder ceases to hold such position; or

(b) **Ceasing to be Employed or Engaged** - In the event that the Red Lake Stock Option holder holds his or her Red Lake Stock Option as an employee or consultant and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Red Lake Stock Option shall be, unless otherwise determined by the Committee, the Red Lake Board or the Administrator, as applicable, and expressly provided for in the Stock Option Certificate, the 30th day following the date the Red Lake Stock Option holder ceases to hold such position as a result of: (i) termination for cause; (ii) resigning or terminating his or her position; or (iii) an order made by any regulatory authority having jurisdiction to so order; in which case the expiry date shall be the date the Red Lake Stock Option holder ceases to hold such position.

In the event that the Red Lake Stock Option holder ceases to hold the position of executive, employee or consultant for which the Red Lake Stock Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Red Lake Stock Option, the Committee, the Red Lake Board or the Administrator, as applicable, may, in its sole discretion, choose to permit the Red Lake Stock Option to stay in place for that Red Lake Stock Option holder with such Red Lake Stock Option then to be treated as being held by that Option holder in his or her new position and such will not be considered to be an amendment to the Red Lake Stock Option in question requiring the consent of the Red Lake Stock Option holder. Notwithstanding anything else contained in the Highland Red Lake Option Plan, in no case will a Red Lake Stock Option be exercisable later than the expiry date of the Red Lake Stock Option.

Highland Red Lake RSU Plan

The Highland Red Lake RSU Plan is attached as Appendix “B” to this Schedule “I”.

Administration

The Highland Red Lake RSU Plan shall be administered by the Red Lake Board, which will have the full and final authority to provide for the granting, vesting, settlement and the method of settlement of RSUs granted thereunder. RSUs may be granted to directors, officers, employees or consultants of the Company, as the Red Lake Board may from time to time designate. The Red Lake Board has the right to delegate the administration and operation of the Highland Red Lake RSU Plan to a committee and/or any member of the Red Lake Board.

Shares reserved for issuance

Subject to adjustment as provided for in the Highland Red Lake RSU Plan, the aggregate number of Common Shares which will be available for issuance under the Highland Red Lake RSU Plan will not, when combined with Shares reserved for issuance pursuant to other share compensation arrangements (including the Option Plan) exceed 20% of the number of Shares which are issued and outstanding on the particular date of grant. The Highland Red Lake RSU Plan is a “rolling plan” and any RSUs that expire or otherwise terminate for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated RSU shall again be available for the purposes of granting RSUs pursuant to the Highland Red Lake RSU Plan.

Granting, Settlement and Expiry of RSUs

Under the Highland Red Lake RSU Plan, eligible persons may (at the discretion of the Red Lake Board) be allocated a number of RSUs as the Red Lake Board deems appropriate, with vesting provisions also to be determined by the Red Lake Board. Upon vesting, subject to the provisions of the Highland Red Lake RSU Plan, the RSU holder may settle its RSUs during the settlement period applicable to such RSUs, provided that no expiry date or any vesting date is a date that is more than three years from the grant date of the RSUs. Where, prior to the expiry date, an RSU holder fails to elect to settle an RSU, the holder shall be deemed to have elected to settle such RSUs on the day immediately preceding the expiry date. Upon settlement, the RSU holder is entitled to receive one Highland Share for each vested RSU or, at the sole option of Highland, a cash payment equal to the number of vested RSUs multiplied by the market price of Highland Shares on the settlement date.

Additional Features

- **Dividends:** Participants may receive additional RSUs equivalent to dividends paid on Highland Shares which vest and settle alongside the original RSUs.
- **Termination of Service:** Unvested RSUs generally terminate upon cessation of service, except in cases of
- **Change of Control:** The Red Lake Board may accelerate vesting or terminate RSUs in connection with a change of control event.

PRIOR SALES

The following table sets out all issuances of securities for the 12-month period before the date of this Circular:

| Date Issued | Number of Securities | Type of Securities | Price Per Security |
|--------------------------------|-----------------------------|---------------------------|---------------------------|
| July 8, 2025 ⁽¹⁾ | 5,500,000 | Highland Red Lake Shares | \$0.005 |
| July 10, 2025 ⁽²⁾ | 2,500,000 | Units | \$0.02 |
| August 1, 2025 ⁽³⁾ | 2,500,000 | Units | \$0.02 |
| August 22, 2025 ⁽⁴⁾ | 2,050,000 | Units | \$0.03 |

| | | | |
|-----------------------------------|-----------|-------|-----------------------|
| September 23, 2025 ⁽⁵⁾ | 1,333,333 | Units | \$0.03 ⁽⁵⁾ |
| October 22, 2025 ⁽⁶⁾ | 135,416 | Units | \$0.03 ⁽⁶⁾ |

Notes:

- (1) On July 8, 2025, Highland Red Lake issued 5,500,000 Highland Red Lake Shares for \$0.005 per Highland Red Lake Share to Highland for aggregate gross proceeds of \$27,500.
- (2) On July 10, 2025, Highland Red Lake completed a private placement of 2,500,000 units for \$0.02 per unit, for aggregate gross proceeds of \$50,000. Each unit consisted of one Highland Red Lake Share and one warrant, whereby each warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.02 per warrant. The warrants expire 5 years from the date of issuance. Highland was the sole subscriber in this private placement.
- (3) On August 1, 2025, Highland Red Lake completed a private placement of 2,500,000 units for \$0.02 per unit for aggregate gross proceeds of \$50,000. Each unit consisted of one Highland Red Lake Share and one warrant, whereby each warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.15 per warrant. The warrants expire 5 years from the date of issuance. Highland was the sole subscriber in this private placement.
- (4) On August 22, 2025, Highland Red Lake completed a private placement of 2,050,000 units for \$0.03 per unit for aggregate gross proceeds of \$61,500 with certain arm's length subscribers. Each unit consisted of one Highland Red Lake Share and one warrant, whereby each Highland Red Lake Warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.15 per warrant. The warrants expire 5 years from the date of issuance.
- (5) On September 23, 2025, Highland Red Lake completed a private placement of 1,333,333 units for \$0.03 per unit for aggregate gross proceeds of \$40,000 with certain arm's length subscribers. Each unit consisted of one Highland Red Lake Share and one Highland Red Lake Warrant, whereby each warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.15 per warrant. The warrants expire 5 years from the date of issuance.
- (6) On October 22, 2025, Highland Red Lake completed a private placement of 135,416 units, for \$0.03 each, for aggregate gross proceeds of \$4,062. Each unit consisted of one Highland Red Lake Share and one warrant, whereby each warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.15 per warrant. The warrants expire 5 years from the date of issuance. Highland was the sole subscriber in this private placement.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

There is currently no market through which the Highland Red Lake Shares may be sold and, unless the Highland Red Lake Shares are listed on a stock exchange and a sufficient trading market for the Highland Red Lake Shares develops, shareholders may not be able to resell the Highland Red Lake Shares. There is no assurance that the Highland Red Lake Shares will be listed on a stock exchange or that such a trading market will develop.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and senior officers of Highland Red Lake, no person, upon completion of the Arrangement, will beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of voting rights attached to each class of the then outstanding voting securities of Highland Red Lake.

DIRECTORS AND OFFICERS

Upon completion of the Arrangement, the Red Lake Board will consist of Brian Morales, Yazeed Esnan and Sophie Galper-Komet.

The current known officers of Highland Red Lake will be Edward Yew (Chief Executive Officer and Corporate Secretary), and Brian Morales (Chief Financial Officer).

The directors of Highland Red Lake are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed.

The names, province or state and country of residence, positions and offices, and principal occupations of each of the individuals anticipated to be directors and officers of Highland Red Lake are as follows:

| Name and Province and Country of Residence | Position with Highland Red Lake⁽¹⁾ | Principal Occupation for the Last Five Years | Number of Highland Red Lake Shares and Percentage of Class after Completion of the Arrangement⁽²⁾ |
|---|--|---|---|
| Edward (Ted) Yew <i>Toronto, Ontario, Canada</i> | Chief Executive Officer, Corporate Secretary | Finance consultant | 250,000 1.0% |
| Brian Morales ⁽³⁾ <i>Toronto, Ontario, Canada</i> | Chief Financial Officer, Director | Finance consultant, corporate director | 368,500 1.5% |
| Yazeed Esnan ⁽³⁾ <i>Toronto, Ontario, Canada</i> | Director | Associate at First Republic Capital Corp. | Nil |
| Sophie Galper-Komet ⁽³⁾ <i>Toronto, Ontario, Canada</i> | Director | Chief Executive Officer of BST Canada Ltd. | Nil |
| TOTAL: | | | 618,500 |

Notes:

- (1) Directors stand for re-election annually. The directors of Highland Red Lake will serve until the end of the next annual meeting of the shareholders of Highland Red Lake.
- (2) The information as to Highland Red Lake Shares is beneficially owned, or over which control or direction is exercised, directly or indirectly, is based upon information furnished to Highland Red Lake by the respective directors and senior officers as at the date hereof.
- (3) Member of the Audit Committee.

Based on the assumptions set out above, it is expected the currently known directors and executive officers as a group, will upon completion of the Arrangement beneficially own, directly or indirectly, or exercise control or direction over an aggregate of approximately 618,500 Highland Red Lake Shares representing approximately 2.5% of the issued and outstanding Highland Red Lake Shares on a partially diluted basis.

None of the directors and executive officers will work full time for Highland Red Lake. Edward Yew and Brian Morales each intend to devote approximately 33% of their professional time to the affairs of Highland Red Lake.

Edward (Ted) Yew – CEO & Corporate Secretary (Age 51)

Mr. Yew has held several executive and director positions in both public and private companies. His principal and primary occupation is being a finance consultant, corporate director, and officer. Over the course of the past 15 years, he has served on audit, corporate governance, compensation, and disclosure committees. Mr. Yew's extensive experience includes arranging corporate and project financing, mergers and acquisitions, and equity and debt financings in a wide range of industries including oil and gas, real estate, financial services, healthcare, mining, and blockchain technology. Mr. Yew began his finance career at Credit Suisse Securities as a Mining equity research analyst and complemented this capital markets experience with various roles at Octagon Capital and Jacob Securities including investment banking, compliance, and fund manager. Previously, Mr. Yew served as the President and Chief Executive Officer of Rockex Mining Company, a mining company trading on the TSX and Frankfurt Stock Exchange. He was also CFO

for Paymobile Inc, a financial technology company, Lion Gaming Group Inc., and Pipeline Integrity Group International. Mr. Yew holds a degree in Electrical Engineering from the University of Western Ontario and an MBA from Joseph L. Rotman, University of Toronto.

As the CEO and Corporate Secretary of the Issuer, it is expected that Mr. Yew will dedicate 33% of his time to Highland Red Lake. Mr. Yew will not enter into an employment agreement with Highland Red Lake and will provide CEO services as an independent contractor. He has not and does not intend to enter into a non-competition or non-disclosure agreement with Highland Red Lake. In addition, Mr. Yew has over 15 years of experience in the mining industry in various roles, including serving as CEO of an exploration company and overseeing the completion and preparation of technical reports.

Brian Morales – CFO & Director (Age 46)

Mr. Morales is a CPA, CA and has served as Chief Financial Officer and Corporate Secretary of several publicly listed mining exploration and development and financial technology companies. His principal and primary occupation is being a finance consultant, corporate director, and officer. He has consulted for companies in a variety of industries, focusing on operational finance, financings and various go-public strategies. Most recently he served as a director of Yubba Capital Corp. until its completion of its qualifying transaction and he continues to serve as a director of several reporting issuers. He has been involved with taking companies public on various exchanges including markets in Canada, the US and in England. Mr. Morales has had an over twenty-year finance career beginning his career with Ernst & Young LLP and has held finance positions of increasing seniority and complexity including as an equity research analyst with Credit Suisse.

As the CFO of the Issuer, it is expected that Mr. Morales will dedicate at least 33% of his time to Highland Red Lake. Mr. Morales will not enter into an employment agreement with Highland Red Lake and will provide CFO services as an independent contractor. He has not and does not intend to enter into a non-competition or non-disclosure agreement with Highland Red Lake. Additionally, Mr. Morales has over 20 years of experience in the mining industry in various roles, including as a director and/or officer of various mining companies. Additionally, he was previously employed as an equity research analyst covering the precious metals sector.

Yazeed Esnan – Director (Age 29)

Mr. Esnan is a designated Chartered Financial Analyst and currently works as an analyst at Whether Growth LP, a venture capital fund focused on early-stage companies. Previously, Mr. Esnan worked as an associate at First Republic Capital Corp. after graduating from Dalhousie University with a Bachelor of Commerce in Finance in 2017. Mr. Esnan has acquired ample experience in equity financings and RTO transactions to take companies public. Mr. Esnan also previously worked with several private and public companies through the Cooperative Education program at Dalhousie University.

Sophie Galper-Komet - Director (Age 50)

Sophie Galper-Komet is a seasoned and highly motivated executive, financial expert and strategy consultant, with broad experience in the corporate, public, and start-up arenas. Sophie possesses over 20 years of experience working in various capacities in the capital markets and private equity sectors, and has expertise in developing diverse funding solutions for Companies, including initial public offerings, bond offerings, mergers and acquisitions and private equity solutions. Ms. Galper-Komet has been intimately involved with several mature and public companies as well as high-tech start-up ventures. Since the beginning of 2019, Ms. Galper-Komet has served as Chief Operating Officer of a private real estate investment company. Prior to this role, she served as the principal and owner of Business Scope International, a private consultancy firm focused on corporate strategy, funding solutions, business development, investment relations, and corporate governance services for an array of corporate clients. In addition, Ms. Galper-Komet's experience and past activities range from financial research through investor relations to business development and investment banking in a variety of industries. She has served on the board of directors of numerous public companies and financial institutions, both on the TSX and Tel Aviv Stock exchanges, including serving several stints as the chair of several board committees. Ms. Galper-Komet is a current director of Highland Red Lake. In addition to the foregoing, Ms. Galper-Komet has served on the advisory boards of numerous technology companies.

Throughout her career, Ms. Galper-Komet has served on the boards of 14 publicly traded companies and financial institutions. In her capacity as a C-suite executive, investment banker, and financial analyst, she has been actively

involved in numerous corporate valuations and market value appraisals in accordance with International Financial Reporting Standards (IFRS). With over 20 years of experience working with IFRS disclosure standards in both Israel and Canada, she brings a deep understanding of global financial reporting and governance practices.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, to the knowledge of Highland Red Lake, as at the date of this Circular and within the ten years before the date of this Circular, no director or executive officer of Highland Red Lake is or has been a director, chief executive officer or chief financial officer of any person or company (including Highland Red Lake), that while that person was acting in that capacity:

Was subject of a cease trade order or similar order or an order that denied the relevant person or Company access to any exemptions under securities legislation (an "order"), for a period of more than 30 consecutive days; or

Was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Brian Morales is the CFO of Waverley Resources Ltd. (formerly, Angus Mining Inc.) since August 2011, which was subject to a cease trade order resulting from failure to file financial statements as issued on May 8, 2015, by the Ontario Securities Commission, May 11, 2015 by the British Columbia Securities Commission and August 21, 2015 by the Alberta Securities Commission. These cease trade orders were revoked on September 18, 2020.

To the knowledge of Highland Red Lake, as at the date of this Circular and within the ten years before the date of this Circular, no director or officer of Highland Red Lake or security holder anticipated to hold a sufficient number of securities of Highland Red Lake to affect materially its control:

Is, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including Highland Red Lake) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

Has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

To the knowledge of Highland Red Lake, no director or officer of Highland Red Lake or security holder anticipated to hold a sufficient number of securities of Highland Red Lake to affect materially its control:

Has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

Has been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Highland Red Lake's directors and officers are subject to fiduciary obligations to act in the best interest of Highland Red Lake. Conflicts will be subject to the procedures and remedies of the BCBCA or other applicable corporate legislation.

To the knowledge of Highland Red Lake, no director, officer of Highland Red Lake or a subsidiary of Highland Red Lake has any existing material conflicts of interests with Highland Red Lake.

EXECUTIVE COMPENSATION

Highland Red Lake was not a reporting issuer at any time during Highland Red Lake's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6V Statement of Executive Compensation ("**Form 51-102F6V**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of Highland Red Lake, once Highland Red Lake becomes a reporting issuer, to the extent this compensation has been determined.

Compensation Discussion and Analysis

In this section, "Named Executive Officer" means each of the following individuals:

Highland Red Lake's chief executive officer, including an individual performing functions similar to a chief executive officer (the "CEO");

Highland Red Lake's chief financial officer, including an individual performing functions similar to a chief financial officer (the "CFO");

The most highly compensated executive officer of Highland Red Lake and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than C\$150,000, as determined in accordance with Form 51-102F6, for that financial year; and

Each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of Highland Red Lake and was not acting in a similar capacity, at the end of that financial year.

Highland Red Lake's Named Executive Officers for the purposes of this section are Edward Yew (CEO) and Brian Morales (CFO).

At its present stage of development, Highland Red Lake does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Highland Red Lake may pay management cash compensation for the 2026 fiscal year, with a view to minimizing its cash expenditures. However, this policy will be re-evaluated periodically. Highland Red Lake expects to grant Red Lake Stock Options, RSUs or other equity incentives to the Named Executive Officers and its non-executive directors, under the Highland Red Lake Option Plan in the amounts and on terms to be determined by the Red Lake Board at that time.

The following table sets out all compensation that is expected to be payable, granted, given, or otherwise provided, directly or indirectly, by the Company and its subsidiaries, excluding compensation securities, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for service provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof, for the periods indicated:

| Table of compensation excluding compensation securities | | | | | | | |
|---|------|---|---------------|---|---------------------------------|---|-------------------------------|
| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |

| | | | | | | | |
|--|------|-----|-----|---|---|---|-----|
| Edward Yew <i>Chief Executive Officer</i> | 2026 | Nil | Nil | - | - | - | Nil |
| | 2025 | Nil | Nil | - | - | - | Nil |
| Brian Morales <i>Chief Financial Officer & Director</i> | 2026 | Nil | Nil | - | - | - | Nil |
| | 2025 | Nil | Nil | - | - | - | Nil |
| Sophie Galper Komet <i>Director</i> | 2026 | Nil | Nil | - | - | - | Nil |
| | 2025 | Nil | Nil | - | - | - | Nil |
| Yazeed Esnan <i>Director</i> | 2026 | Nil | Nil | - | - | - | Nil |
| | 2025 | Nil | Nil | - | - | - | Nil |

Defined Benefit Plan & Pension Disclosure

Highland Red Lake does not have any defined benefit, actuarial plan, or pension plan.

Stock Options and Other Compensation Securities

No compensation securities were granted from the Company's date of incorporation to August 31, 2025. No compensation securities are expected to be granted to the NEOs or directors during the financial year ended.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised or redeemed any compensation securities during the Company's most recently completed financial year.

Management Contracts

Highland Red Lake does not have any contracts, agreements, plans or arrangements in place with any NEOs or directors.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

Since its incorporation and as of the date of this Circular, no director, officer or employee, or former director, officer or employee, of Highland Red Lake, or any associate or affiliate of any such director, officer or employee, has been indebted to Highland Red Lake, and Highland Red Lake has not provided any guarantee, support agreement, letter of credit or other similar arrangement or understanding.

AUDIT COMMITTEE

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Red Lake Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require Highland Red Lake to disclose certain information relating to Highland Red Lake's Audit Committee.

Pursuant to NI 52-110, Highland Red Lake is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, employees, or control persons of Highland Red Lake or of an affiliate of Highland Red Lake. The Audit Committee is composed of Brian Morales, Yazeed Esnan and Sophie Galper-Komet.

Audit Committee Charter

Highland Red Lake has adopted an audit committee charter in the form attached hereto as Appendix D to this Circular.

Independence

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the Red Lake Board, reasonably interfere with the

exercise of the member's independent judgment. Each of Yazeed Esnan and Sophie Galper-Komet is independent. Brian Morales is not independent, because he is the CFO of Highland Red Lake.

Financial Literacy

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Highland Red Lake's financial statements.

All existing and proposed members of the Audit Committee are financially literate as such term is defined in NI 52-110.

Audit Committee Oversight

Since the commencement of Highland Red Lake's most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Red Lake Board.

Reliance on Certain Exemptions

Since the commencement of Highland Red Lake's most recently completed financial year, Highland Red Lake has not relied on:

The exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or

An exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions). Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-201 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") establishes corporate governance guidelines, which apply to all public companies. Highland Red Lake has reviewed its own corporate governance practices in light of these guidelines. In certain cases, Highland Red Lake's practices comply with the guidelines, however, the Red Lake Board considers that some of the guidelines are not suitable for Highland Red Lake at its current stage of development and, therefore, these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Red Lake Board responsibility for the stewardship of Highland Red Lake including responsibility for strategic planning, identification of the principal risks of Highland Red Lake's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), approving and monitoring Highland Red Lake's significant policies and procedures, including with respect to communications with investors and the financial community, and the integrity of Highland Red Lake's internal control and management information systems.

As at the date of this Circular, the Red Lake Board is comprised of three (3) directors, of which two (2) are "independent", as defined by National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Accordingly, the Red Lake Board is comprised of a majority of independent members. A director is "independent" if the director has no direct or indirect material relationship with Highland Red Lake. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of

applicable Securities Laws.

The current independent members of the Red Lake Board are Brian Morales, Yazeed Esnan and Sophie Galper-Komet. Brian Morales is not independent as he is the Chief Financial Officer of Highland Red Lake.

The Red Lake Board facilitates its exercise of independent supervision over Highland Red Lake's management through frequent meetings of the Red Lake Board. The independent directors hold in camera meetings without the non-independent directors and management present.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of Highland Red Lake's business.

At this time, the Red Lake Board does not have a Chairman. In the absence of a Chairman and accordance with the articles of Highland Red Lake, the President of Highland Red Lake is responsible for presiding over all meetings of the directors and Shareholders. The independent directors have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and therefore, do not require the guidance of an independent Chairman of the Red Lake Board in exercising their duties as directors.

Descriptions of Roles

The Red Lake Board has not established specific written descriptions of the positions of the Chief Executive Officer or Chair of any of the committees of the Red Lake Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary and would not improve the function and performance of the Red Lake Board, Chief Executive Officer or any committee. The role of Committee Chair is delineated by the nature of the overall responsibilities of that committee.

Participation of Directors in Other Reporting Issuers

The following table sets out the directors of Highland Red Lake who are currently directors or officers of other reporting issuers:

| Name | Reporting Issuer and Stock Exchange | Position | Term |
|---------------|--|---|--------------------------|
| Brian Morales | Waverly Resources Ltd., Unlisted | Chief Financial Officer | September 2011 – Present |
| | Woodbridge Resources Ltd., Unlisted | Director | June 2021 – Present |
| | Tiger International Resources Inc., Unlisted | Director | November 2024 – Present |
| | Kingsview Minerals Ltd., CSE | Director, Chief Financial Officer & Corporate Secretary | February 2025 – Present |
| Yazeed Esnan | Free Battery Metal Limited, CSE | Director | December 2024 – Present |
| | Wesana Health Holdings Inc., CSE | Director | February 2021 – May 2021 |
| | Metaville Labs Inc., Unlisted | Director | June 2020 – Present |

| Name | Reporting Issuer and Stock Exchange | Position | Term |
|---------------------|-------------------------------------|-------------------------|-------------------------|
| Sophie Galper-Komet | Kingsview Minerals Ltd. | Director | February 2025 – Present |
| | Impact Development Group Inc. | Director | November 2023 – Present |
| | Stickit Technologies Inc. | Chief Financial Officer | October 2023 – Present |
| | SuperBuzz Inc. | Director | November 2020 – Present |

Orientation and Continuing Education

While Highland Red Lake does not have formal orientation and training programs, new Red Lake Board members are provided with:

- (a) information respecting the functioning of the Red Lake Board, committees and copies of Highland Red Lake's corporate governance policies,
- (b) access to recent and historical, publicly filed documents of Highland Red Lake, management reports and Highland Red Lake's internal financial information, and
- (c) access to management, technical experts and consultants.

Red Lake Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit Highland Red Lake's operations. Red Lake Board members have full access to Highland Red Lake's records.

Ethical Business Conduct

The Red Lake Board has not adopted a formal code of business conduct and ethics. The Red Lake Board is of the view that the fiduciary duties placed on individual directors by Highland Red Lake's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Red Lake Board in which the director has an interest have been sufficient to ensure that the Red Lake Board operates independently of management and in the best interests of Highland Red Lake.

AGENT, SPONSOR OR ADVISOR

No agent, sponsor or advisor has been retained by Highland Red Lake.

RISK FACTORS

In addition to the other information contained in this Circular, the following factors should be considered carefully when considering risk related to Highland Red Lake's proposed business:

Possible Non-Completion of Funding of Highland Red Lake; Financing Risks

Additional funding will eventually be required to continue conducting the operations of Highland Red Lake. There is no assurance that any such funds will be available. Failure to obtain additional financing on a timely basis could cause Highland Red Lake to reduce or terminate its operations.

Nature of the Securities and No Assurance of any Listing

Highland Red Lake Shares are not currently listed on any stock exchange and there is no assurance that the shares

will be listed. Even if a listing is obtained, the holding of Highland Red Lake Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Highland Red Lake Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of Highland Red Lake should not constitute a major portion of an investor's portfolio.

Possible Non-Completion of Arrangement

There is no assurance that the Arrangement will receive regulatory approval or will complete. If the Arrangement does not complete, Highland Red Lake will remain a private company and wholly-owned subsidiary of Highland. If the Arrangement does complete, Highland Red Lake Shareholders (which will consist of shareholders of Highland who receive Highland Red Lake Shares and the subscribers to the Highland Red Lake Financing) will be subject to the risk factors described below relating to mining.

Early-stage exploration company

Highland Red Lake is at an early stage of mineral exploration and has not yet established mineral reserves or resources on its properties. There is no assurance that exploration activities will result in the discovery of mineralization in sufficient quantities or grades to justify commercial production. Even if mineralization is discovered, there is no guarantee that it can be economically extracted.

Reliance on Red Lake Option Agreement

Highland Red Lake's sole material asset is the Red Lake Option Agreement which grants the company the exclusive right to acquire certain mineral claims in the Red Lake Gold District of Ontario. The company does not own any other mineral properties, intellectual property, or material assets. As a result, the company's business, financial condition, and prospects are entirely dependent on the successful execution and maintenance of the Red Lake Option Agreement.

If Highland Red Lake is unable to fulfill the payment or work commitments required under the Red Lake Option Agreement, or if the agreement is terminated, expires, or otherwise becomes unenforceable, the company would lose its only material asset and its ability to continue as a going concern would be materially adversely affected. There can be no assurance that Highland Red Lake will be able to maintain the Red Lake Option Agreement, complete the required expenditures, or acquire any interest in the underlying mineral properties. Any adverse development relating to the Red Lake Option Agreement would have a significant negative impact on the company and its shareholders.

Limited Operating History

Highland Red Lake was incorporated on July 8, 2025, and has a limited operating history.

Dependence on Management

Highland Red Lake is very dependent upon the personal efforts and commitment of its existing directors and officers. If one or more of Highland Red Lake's directors or executive officers become unavailable for any reason, a severe disruption to the business and operations of Highland Red Lake could result, and Highland Red Lake may not be able to replace them readily, if at all.

Conflicts of Interest

The directors and officers of Highland Red Lake are, and may continue to be, involved in the mining industry through their direct and indirect participation in Companies, partnerships or joint ventures which are potential competitors of Highland Red Lake, including Highland. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of Highland Red Lake. Directors and officers of Highland Red Lake with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

No History of Earnings

Highland Red Lake has no history of earnings or of a return on investment, and there is no assurance that any property or business that Highland Red Lake may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. Highland Red Lake has no plans to pay dividends. The future dividend policy of Highland Red Lake will be determined by the Red Lake Board.

Competition

The mining industry is highly competitive. Highland Red Lake will compete with other domestic and international mining companies that have greater financial and human resources.

Government Regulations

The mineral exploration and development activities of Highland Red Lake will be subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although Highland Red Lake's exploration and development activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing Highland Red Lake's operations, or more stringent implementation thereof, could have an adverse impact on Highland Red Lake's business and financial condition.

Highland Red Lake's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of Highland Red Lake's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of Highland Red Lake require licenses and permits from various governmental authorities. Highland Red Lake will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that Highland Red Lake will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of Highland Red Lake's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Highland Red Lake's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain and may not be issued on the terms required by Highland

Red Lake. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against Highland Red Lake for violations of applicable laws or regulations.

Regulatory Risks

Successful execution of Highland Red Lake's business is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the operation of its business.

Highland Red Lake will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties, or in restrictions on Highland Red Lake's operations. In addition, changes in regulations, more vigorous enforcement thereof, or other unanticipated events could require extensive changes to Highland Red Lake's operations, increased compliance costs, or give rise to material liabilities, which could have a material adverse effect on the business, financial condition, and operating results of Highland Red Lake.

Dilution

Issuances of additional securities including, but not limited to, issuances of common shares or convertible securities of Highland Red Lake pursuant to an Highland Red Lake Financing or otherwise or issuance of convertible debentures or similar securities, will result in a substantial dilution of the equity interests of any persons who may become Highland Red Lake Shareholders as a result of or subsequent to the Arrangement.

Uncertainty of Resource Estimates

If Highland Red Lake discloses any mineral resource or reserve estimates in the future, such estimates are inherently uncertain and subject to change as additional information becomes available. Actual results may differ materially from those anticipated in resource estimates due to geological, technical, operational, and economic factors.

Fluctuations in Gold and Commodity Prices

The value of the Options and the potential for future development are directly related to the price of gold and other commodities. Commodity prices are volatile and influenced by global economic conditions, supply and demand, currency exchange rates, and geopolitical events. A sustained decline in gold prices could adversely affect the company's ability to finance exploration and development or render projects uneconomic.

Reliance on Third-Party Contractors and Consultants

Highland Red Lake relies on third-party contractors and consultants for exploration, technical studies, and other key activities. The company's ability to execute its business plan depends on the availability, reliability, and performance of these third parties. Disputes, delays, or failures by contractors or consultants could negatively impact project timelines and costs.

Indigenous and Community Relations

The company's exploration activities are located in areas that may be subject to Indigenous rights or claims. Failure to establish and maintain positive relationships with local communities and Indigenous groups could result in delays, disruptions, or legal challenges to exploration and development activities.

Climate Change and Environmental Risks

Climate change may result in more frequent extreme weather events, changes in precipitation patterns, and other environmental impacts that could affect access to properties, exploration activities, and regulatory requirements. The company may face increased costs or operational disruptions as a result of climate-related risks.

Cybersecurity and Data Protection

As a modern exploration company, Highland Red Lake relies on information technology systems for data management, communications, and regulatory compliance. Cybersecurity threats, including hacking, phishing, and data breaches, could result in the loss or theft of sensitive information, business disruption, or reputational harm.

Key Personnel Retention and Succession

Highland Red Lake's success is highly dependent on the skills and experience of its directors, officers, and key consultants. The loss of any key personnel, or the inability to attract and retain qualified individuals, could have a material adverse effect on the company's business and prospects.

Insurance Limitations

Highland Red Lake maintains insurance coverage consistent with industry standards; however, not all risks are insurable or may be subject to exclusions, limitations, or high deductibles. There is no assurance that insurance will be available or sufficient to cover all potential losses or liabilities.

Uninsured and Uninsurable Risks

Certain risks associated with mineral exploration and development, such as environmental contamination, may not be fully insurable or may be subject to coverage limitations. The occurrence of an uninsured or uninsurable event could result in significant financial loss.

Market and Liquidity Risks

Even if Highland Red Lake Shares are listed on a stock exchange, there can be no assurance that an active or liquid trading market will develop or be sustained. Shareholders may be unable to sell their shares at desired times or prices.

Taxation Risks

Changes in Canadian federal, provincial, or local tax laws, regulations, or interpretations could have a material impact on the company's financial position and the value of its securities. The company may also be subject to audits or reassessments by tax authorities.

PROMOTER

Highland is a promoter of Highland Red Lake. Highland took the initiative in Highland Red Lake's organization and, accordingly, is a promoter of Highland Red Lake within the meaning of applicable securities legislation.

During the period from incorporation of Highland Red Lake to and including the closing of the Arrangement, the only material value which Highland has or will receive from Highland Red Lake are the Highland Red Lake Spinout Shares to be issued to Highland as part of the Arrangement and the re-imbursement if any, of costs associated with the Arrangement.

During the ten (10) years prior to the date of this Circular, Highland has not been subject to:

- (a) a cease trade order (including any management cease trade order which applied to directors or executive officers of Highland, whether or not the person is named in the order), or
- (b) an order similar to a cease trade order, or
- (c) an order that denied Highland access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days; nor has Highland been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; nor has Highland become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

Highland Red Lake is not a party to any material legal proceedings and Highland Red Lake is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than Highland, no director, executive officer or greater than 10% shareholder of Highland Red Lake and no associate or affiliate of the foregoing persons has or had any material interest, direct or indirect, in any transaction in the preceding three years or in any proposed transaction which in either such case has materially affected or will materially affect Highland Red Lake. The material transactions that Highland participated in were as follows:

On July 8, 2025, Highland subscribed for 5,500,000 Highland Red Lake Shares for \$0.005 per Highland Red Lake Share for aggregate gross proceeds of \$27,500.

On July 10, 2025, Highland subscribed for 2,500,000 units of Highland Red Lake for \$0.02 per unit, for aggregate gross proceeds of \$50,000. Each unit consisted of one Highland Red Lake Share and one warrant, whereby each warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.02 per warrant. The warrants expire 5 years from the date of issuance.

On August 1, 2025, Highland subscribed for 2,500,000 units of Highland Red Lake for \$0.02 per unit for aggregate gross proceeds of \$50,000. Each unit consisted of one Highland Red Lake Share and one warrant, whereby each warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.15 per warrant. The warrants expire 5 years from the date of issuance.

On October 22, 2025, Highland subscribed for 135,416 units of Highland Red Lake for \$0.02 per unit for aggregate gross proceeds of \$4,062. Each unit consisted of one Highland Red Lake Share and one warrant, whereby each warrant is exercisable for one Highland Red Lake Share at an exercise price of \$0.15 per warrant. The warrants expire 5 years from the date of issuance.

Certain of the directors and officers of Highland Red Lake also serve as directors and officers of Highland, and served in such positions at the time the Arrangement Agreement was entered into. Each of Edward Yew and Brian Morales also hold, directly or indirectly, Highland Shares, and held Highland Shares at the time the Arrangement Agreement was entered into and subsequently since.

INVESTOR RELATIONS ARRANGEMENTS

No written or oral agreement or understanding has been reached between Highland Red Lake and any person to provide any promotional or investor relations services for Highland Red Lake.

MATERIAL CONTRACTS

The Arrangement Agreement and the Red Lake Option Agreement will be the only material contracts of Highland Red Lake upon completion of the Arrangement.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Highland Red Lake are MNP LLP, Chartered Professional Accountants, of 50 Burnhamthorpe Road West, Mississauga, Ontario, L5B3C2.

The Registrar and Transfer Agent for Highland Red Lake is expected to be Integral Transfer Agency Inc., located at 600 Annette St., Toronto, Ontario, M6S 2C4.

EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in this Circular as having prepared or certified a part of that document, report, valuation, statement or opinion described herein:

1. MNP LLP, Chartered Professional Accountants, who prepared the auditors' report for the financial statements of Highland Red Lake, which financial statements are attached as to this Circular; and
2. De Visser Gray LLP has also advised Highland that it is independent in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Based on information provided by the relevant persons, none of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received or will receive as a result of the Arrangement a direct or indirect interest in a property of Highland Red Lake or any associate or affiliate of Highland Red Lake, nor is currently expected to be elected, appointed or employed as a director, officer or employee of Highland Red Lake or any associate or affiliate of Highland Red Lake.

OTHER MATERIAL FACTS

There are no other material facts relating to Highland Red Lake, on a current or pro-forma basis, and not disclosed elsewhere in this Circular.

EXEMPTIONS

No exemption from a securities regulator or securities regulatory authority has been received by Highland Red Lake.

APPENDIX “A” – HIGHLAND RED LAKE OPTION PLAN

[See Attached.]

HIGHLAND RED LAKE GOLD CORP.

STOCK OPTION PLAN

DATED: JANUARY 31, 2024.

Approved by the board of directors effective on January 30, 2024.

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STOCK OPTION PLAN

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) **“Administrator”** means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) **“Associate”** means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) **“Black-Out”** means a restriction imposed by the Company on all or any of its directors, officers, Employees, Insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) **“Board”** means the board of directors of the Company.
- (e) **“Change of Control”** means an occurrence when either:
 - (i) a Person, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.

- (f) **“Committee”** means a committee of the Board to which the responsibility of approving the grant of Options has been delegated, or if no such committee is appointed, the Board itself.
- (g) **“Company”** means Highland Red Lake Gold Corp.;
- (h) **“Consultant”** means an individual who:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
 - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (i) a corporation of which the individual is an Employee or shareholder or a partnership of which the individual is an Employee or partner (a **“Consultant Entity”**); or
 - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) **“CSE”** means the Canadian Securities Exchange.
- (j) **“Disability”** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company or any Subsidiary employing or engaging the Person, that the Committee, acting reasonably, determines constitutes a disability.
- (k) **“Employee”** means:

- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an Employee or as an equivalent thereto; or
- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an Employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) **“Exchange”** means the stock exchange upon which the Company’s shares principally trade.
- (m) **“Executive”** means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (n) **“Exercise Notice”** means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.
- (o) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has Vested pursuant to the terms and conditions of this Plan and any additional terms and conditions imposed by the Committee, and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (p) **“Exercise Price”** means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (q) **“Expiry Date”** means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.

- (r) **“Expiry Time”** means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (s) **“Grant Date”** means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (t) **“Insider”** means an insider as that term is defined in the *Securities Act*.
- (u) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws;
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.
- (v) **“Market Value”** means the market value of the Shares as determined in accordance with section 5.3.

- (w) “**NI 45-106**” means National Instrument 45-106—*Prospectus Exemptions*.
- (x) “**Option**” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (y) “**Option Certificate**” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (z) “**Option Holder**” means a Person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (aa) “**Outstanding Issue**” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (bb) “**Person**” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person.
- (cc) “**Personal Representative**” means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (dd) “**Plan**” means this stock option plan as from time to time amended.
- (ee) “**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (ff) “**Regulatory Authorities**” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (gg) “**Regulatory Rules**” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.

- (hh) “**Related Entity**” means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
- (i) ownership of or direction over voting securities in the second Person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second Person, or
 - (iv) being a trustee of the second Person.
- (ii) “**Related Person**” means:
- (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (jj) “**Securities Act**” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (kk) “**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (ll) “**Subsidiary**” means a wholly-owned or controlled subsidiary corporation of the Company.
- (mm) “**Triggering Event**” means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons;

- (iv) a proposed Change of Control of the Company;
 - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (nn) “**Vest**”, “**Vesting**” or “**Vested**” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

SECTION 2 GRANT OF OPTIONS

2.1 **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons and on such terms and conditions as are permitted under this Plan.

2.2 **Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;

- (e) the Vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

2.3 **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

2.4 **Hold Period**

Pursuant to the policies of the Exchange, where a hold period is applicable, the Option Certificate will include a legend stipulating that the Option is and the Shares upon the exercise of the Option are subject to a four-month hold period commencing on the date of distribution of the Option.

SECTION 3 PURPOSE AND PARTICIPATION

3.1 **Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

3.2 **Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

3.3 **Limits on Option Grants**

The Company shall only grant Options under this Plan in accordance with Section 10 hereof and, for greater certainty, may not grant any Options under this Plan unless an exemption under NI 45-106 is available. For so long as the Company is not a reporting issuer or is otherwise a reporting issuer but listed on the CSE, Section 2.24 of NI 45-106 shall not apply to the Plan and all Options granted thereunder to any Employees or Consultants who are engaged in Investor Relations

Activities for the Company, any associated Consultant, any executive officer of the Company, any director of the Company or any permitted assign of those Persons if, after the grant:

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
 - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
 - (ii) a Related Person, exceeds 5% of the outstanding securities of the Company, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
 - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
 - (ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company;

unless the Company obtains security holder approval in accordance with the Regulatory Rules, including the requirements under NI 45-106.

3.4 **Limits on Option Grants for Investor Relations Activities**

The maximum number of Options which may be granted within an 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

3.5 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

3.6 **Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

3.7 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that

is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

3.8 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

3.9 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

3.10 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

3.11 **Representation**

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

SECTION 4
NUMBER OF SHARES UNDER PLAN

4.1 **Committee to Approve Issuance of Shares**

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

4.2 **Number of Shares**

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan, plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

4.3 **Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

SECTION 5 TERMS AND CONDITIONS OF OPTIONS

5.1 **Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

5.2 **Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

5.3 **Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. Notwithstanding the foregoing, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) if the Company's Shares are listed on the CSE, and the Committee determines the CSE to be the Company's primary Exchange, Market Value will be the greater of the closing trading price of the Shares on (i) the trading day prior to the Grant Date and (ii) the Grant Date;
- (b) subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on

the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;

- (c) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (d) subject to subparagraph (a), if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (e) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

5.4 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4 or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
 - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary;
or

(iii) an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

(b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

(i) termination for cause;

(ii) resigning his or her position; or

(iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

5.5 **Vesting of Option and Acceleration**

The Vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the Vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

5.6 **Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be

subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 Non-transferable

Except as provided otherwise in this Section 6, Options are non-assignable and non-transferable.

6.2 Death of Option Holder

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

6.3 Disability of Option Holder

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

6.4 Disability and Death of Option Holder

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

6.5 **Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to Vest in accordance with any Vesting schedule to which such Options are subject.

6.6 **Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

SECTION 7 EXERCISE OF OPTION

7.1 **Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, or by written notice in the case of uncertificated Shares, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

7.2 **Black Out Period**

If an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.4(a) or section 5.4(b) above) within or immediately after a Black-Out, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black-Out; provided, that, the expiration date as extended by this section 7.2 will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

7.3 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 7.1 and payment in full for the Optioned Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or at the election of the Option Holder, on an uncertificated basis pursuant to the

instructions given by the Option Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Shares.

7.4 **No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

7.5 **Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

SECTION 8 ADMINISTRATION

8.1 **Board or Committee**

The Plan shall be administered by the Administrator with oversight by the Committee.

8.2 **Powers of Committee**

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;

- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and Vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
 - (iv) determine when Options shall be granted; and
 - (v) determine the number of Shares subject to each Option;
- (h) accelerate the Vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.3 **Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

8.4 **Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the

Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

SECTION 9 APPROVALS AND AMENDMENT

9.1 Shareholder Approval of Plan

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

9.2 Amendment of Option or Plan

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the Option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

10.1 Compliance with Laws

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

10.2 Regulatory Approvals

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the

necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

10.3 Inability to Obtain Regulatory Approvals

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

SECTION 11 ADJUSTMENTS AND TERMINATION

11.1 Termination of Plan

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this Section 11, the Plan shall terminate on, and no more Options shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.

11.2 No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

11.3 Alteration in Capital Structure

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to

such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

11.4 **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such Exercise Price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

11.5 **Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the Vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent Vesting provision to which such Options may have otherwise been subject. Furthermore, if any of the Options granted under this Plan are cancelled prior to their Expiry Date, the Company shall not grant new Options to the same Persons or Entities until thirty (30) days have lapsed from the date of cancellation.

11.6 **Determinations to be Made By Committee**

Adjustments and determinations under this Section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

[Include legends prescribed by Regulatory Authorities, if required.]

HIGHLAND RED LAKE GOLD CORP.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of HIGHLAND RED LAKE GOLD CORP. (the “**Company**”) and evidences that ● [Name of Option Holder] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● common shares (the “**Shares**”) in the capital stock of the Company at a purchase price of Cdn.\$ ● per Share (the “**Exercise Price**”). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Vancouver, British Columbia (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is ●; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is ●, 20●.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, or written notice in the case of uncertificated Shares, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends on the certificate or the written notice in the case of uncertificated shares prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented hereby have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States. The holder hereof, by purchasing such securities, agrees for the benefit of the Company that such securities may be offered, sold or otherwise transferred only (a) to the Company; (b) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act; (c) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws; or (d) in a transaction that does not require registration under the U.S. Securities Act and any applicable state securities laws, and, in the case of paragraph (c) or (d), the seller furnishes to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.

The presence of this legend may impair the ability of the holder hereof to effect “good delivery” of the securities represented hereby on a Canadian stock exchange.”

HIGHLAND RED LAKE GOLD CORP.
by its authorized signatory:

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Date signed:

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) ● Shares (●%) will vest and be exercisable on or after the Grant Date;
 - (b) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (c) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (d) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.4(a) or 5.4(b) of the Plan, the Expiry Date of the Option shall be ● **[Insert date desired that is longer or shorter than the standard 30 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

SCHEDULE B

HIGHLAND RED LAKE GOLD CORP.

STOCK OPTION PLAN

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan

●

● [Address]

(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the “**Plan**”) of HIGHLAND RED LAKE GOLD CORP. the “**Company**”), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

(a) all of the Shares; or

(b) of the Shares;

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**). The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to the Company or to ● in an amount equal to the aggregate Exercise Price of the aforesaid Shares and directs the Company to issue a certificate OR a written notice in the case of uncertificated Shares evidencing said Shares in the name of the undersigned to be issued to the undersigned [in the case of issuance of a share certificate, at the following address (**provide full complete address**)]:

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 4:00 p.m. local time in Vancouver, BC on the Expiry Date of the Option.

DATED the day ____ of _____, 20__.

Signature of Option Holder

APPENDIX “B” – HIGHLAND RED LAKE RSU PLAN

[See Attached.]

HIGHLAND RED LAKE GOLD CORP.

RESTRICTED SHARE UNIT PLAN

EFFECTIVE AS OF JUNE 4, 2025

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RESTRICTED SHARE UNIT PLAN

ARTICLE 1 – PURPOSE AND INTERPRETATION

Section 1.1 Purpose

The purpose of the Plan is to promote and advance the interests of the Company by (i) providing Eligible Persons with additional incentive through an opportunity to receive bonuses in the form of Common Shares of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate Eligible Persons.

Section 1.2 Definitions

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “**Account**” means a notional account maintained for each Participant on the books of the Company which will be credited with Restricted Share Units and Dividend RSUs, in accordance with the terms of the Plan;
- (b) “**Affiliate**” means any person that controls or is controlled by the Company or that is controlled by the same person that controls the Company;
- (c) “**Affiliated Company**” means a company that is a subsidiary of another company or if two or more companies are subsidiaries of the same company or two or more companies are controlled by the same person or company;
- (d) “**Associate**” has the meaning ascribed to that term in Section 2.22 of NI 45-106;
- (e) “**Applicable Law**” mean any applicable law, including without limitation: (i) the BCBCA; (ii) Applicable Securities Laws; (iii) the ITA; (iv) any other applicable corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, provincial, state, local or foreign; and (v) Stock Exchange Policy;
- (f) “**Applicable Securities Law**” means the BCSA and the equivalent thereof in each province and territory of Canada in which the Company is a “reporting issuer” or the equivalent thereof, together with the regulations, rules and blanket orders of the securities commission or similar regulatory authority in each of such jurisdictions;
- (g) “**BCBCA**” means the *Business Corporations Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCBCA shall also be a reference to any successor provision promulgated thereunder;
- (h) “**BCSA**” means the *Securities Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCSA shall also be a reference to any successor provision promulgated thereunder;
- (i) “**Black-Out Period**” means a period when the Participant is prohibited from trading in the Company’s securities, including the Common Shares, pursuant to Applicable Securities Laws or the policies of the Company;

- (j) **“Board”** means the board of directors of the Company or such delegate as referred to by the term in Section 3.1(1);
- (k) **“Business Day”** means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Vancouver, British Columbia, on which the Stock Exchange is open for trading;
- (l) **“Cause”** means:
 - (i) if the Participant has a written agreement with the Company or a subsidiary of the Company in which cause is defined, “cause” as defined therein; or
 - (ii) if the Participant has no written agreement with the Company or a subsidiary of the Company in which cause is defined,
 - a) in the case of employee, director or officer Participants: (I) the inability of the Participant to perform their duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (II) the failure of the Participant to follow the Company’s reasonable instructions with respect to the performance of their duties; (III) any material breach by the Participant of their obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (IV) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (V) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
 - b) in the case of Consultant Participants, for any reason, upon one (1) week’s notice, provided there is no conflict with Applicable Law;
- (m) **“Certificate”** has the meaning given to that term in Section 3.1(3);
- (n) **“Change of Control Event”** means:
 - (i) the acquisition of a sufficient number of voting securities in the capital of the Company so that the acquiror, together with Persons or Entities acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company);
 - (ii) the completion of a consolidation, merger, arrangement or amalgamation of the Company with or into any other entity whereby the voting securityholders of the Company immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity;
 - (iii) the complete liquidation or dissolution of the Company or the completion of a sale,

lease, exchange or other transfer (in one transaction or a series of transactions) whereby all or substantially all of the Company's undertakings and assets become the property of any other entity and the voting securityholders of the Company immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or

- (iv) an occurrence when a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board;
- (o) **"Common Shares"** means the class A common shares in the share capital of the Company;
- (p) **"Company"** means Highland Red Lake Gold Corp., a company incorporated under the laws of British Columbia;
- (q) **"Consultant"** has the meaning ascribed to that term in Section 2.22 of NI 45-106;
- (r) **"Control"** has the meaning ascribed to that term in Section 1.4 of NI 45-106;
- (s) **"Controlled Company"** means a company controlled by another person or company or by two or more companies;
- (t) **"Disability"** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Board, acting reasonably, determines constitutes a disability;
- (u) **"Dividend RSUs"** means a bookkeeping entry credited to a Participant's Account equivalent in value to the dividend, if any, paid on a Common Share in accordance with Section 4.2 of the Plan;
- (v) **"Eligible Person"** means:
 - (i) any director, officer, or employee of the Company or any Affiliate;
 - (ii) subject to confirmation of the receipt of independent tax advice having been obtained by the recipient Consultant, any Consultant of the Company or any Affiliate; and
 - (iii) subject to confirmation of the receipt of independent tax advice having been obtained by the recipient Personal Holding Company, any Personal Holding Company of any of the persons listed in Section 1.2(v)(i) above;who is designated by the Board as eligible to participate in the Plan;
- (w) **"Expiry Date"** means the expiry date set out by the Board on the date of approval of a grant and as described in the applicable Certificate (which for greater certainty may vary between RSUs granted from time to time), following which an RSU is expired and is thereafter incapable of settlement, and is of no value whatsoever, provided however that in

no event shall an Expiry Date be a date that is more than three years from the Grant Date;

- (x) **“Grant Date”** means any date determined from time to time by the Board as a date on which a grant of RSUs will be made to one or more Eligible Persons under this Plan;
- (y) **“ITA”** means the *Income Tax Act* (Canada) and any regulations thereunder, each as amended from time to time. Any reference to any section of the ITA shall also be a reference to any successor provision and any regulation promulgated thereunder;
- (z) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or Shareholder, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - a) to promote the sale of products or services of the Company, or
 - b) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - a) Applicable Securities Laws;
 - b) Stock Exchange requirements, including Stock Exchange Policy, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - a) the communication is only through the newspaper, magazine or publication, and
 - b) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Stock Exchange;
- (aa) **“Market Price”** means, unless otherwise required by Applicable Law or by any applicable accounting standard for the Company’s desired accounting for RSU Awards, with respect to any particular date, the last available closing market price of the Common Shares on the Stock Exchange. In the event that the Common Shares are not listed and posted for trading on any Stock Exchange, the Market Price shall be the fair market value of such Common Shares as determined by the Board in its discretion;
- (bb) **“NI 45-106”** means National Instrument 45-106 - *Prospectus Exemptions*, as may be

amended from time to time. Any reference to any section of the NI 45-106 shall also be a reference to any successor provision promulgated thereunder.

- (cc) **“Outstanding Issue”** means the number of Common Shares that are outstanding (on a non-diluted basis) immediately prior to the Common Share issuance or grant of RSUs in question, as applicable;
- (dd) **“Participant”** means an Eligible Person to whom RSUs have been granted and are outstanding;
- (ee) **“Personal Holding Company”** means a personal holding company that is either wholly owned, or controlled by, any director, executive officer or employee of the Company or an Affiliated Entity, and the shares of which are held directly or indirectly by any such person or the person's spouse, minor children and/or minor grandchildren;
- (ff) **“Person”** or **“Entity”** means an individual, natural person, company, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity;
- (gg) **“Plan”** means this Restricted Share Unit plan of the Company, as amended from time to time;
- (hh) **“Related Entity”** means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second Person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second Person, or
 - (iv) being a trustee of the second Person;
- (ii) **“Related Person”** means:
 - (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (jj) **“Reporting Insider”** means a reporting insider as defined under National Instrument 55-

104 – *Insider Reporting Requirements*, as may be amended from time to time;

- (kk) **“Restricted Share Unit”** or **“RSU”** means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account and representing the right of a Participant to whom a grant of such restricted share units is made to receive one Common Share (or, pursuant to Section 4.3, an amount of cash equal to the Market Value thereof), pursuant and subject to the terms and conditions set forth in this Plan and in the applicable Certificate;
- (ll) **“RSU Award”** means the number of RSUs determined by the Board to be awarded to the Participant and credited to a Participant’s Account, as evidenced by a Certificate;
- (mm) **“Settlement Date”** means the Business Day during the Settlement Period on which a Participant elects to settle an RSU in accordance with Section 4.3;
- (nn) **“Settlement Notice”** has the meaning set out in Section 4.3;
- (oo) **“Settlement Period”** means the period starting on the Vesting Date and ending on the Expiry Date;
- (pp) **“Shareholder”** means a holder of a Common Share in the capital of the Company;
- (qq) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan, restricted share unit, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise including, without limitation, this Plan;
- (rr) **“Stock Exchange”** means the Canadian Securities Exchange or if the Common Shares are not listed on the Canadian Securities Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
- (ss) **“Stock Exchange Policy”** means the rules and policies of the Stock exchange, as may be amended from time to time;
- (tt) **“subsidiary”** means a person or company that is:
 - (i) controlled directly or indirectly by:
 - a) that other, or
 - b) that other and one or more persons or companies each of which is controlled by that other, or
 - c) two or more persons or companies, each of which is controlled by that other;
or
 - (ii) a subsidiary of a person or company that is the other’s subsidiary;
- (uu) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person or otherwise on such date on which the Company terminates its engagement of the Participant. For greater certainty, in the case of a Participant whose employment or term of

office with the Corporation or any Subsidiary Company terminates in the circumstances set out in Section 4.4(1)(a), Section 4.4(1)(b) or Section 4.4(1)(c), the date that is designated by the Corporation or any Subsidiary Company, as the last day of the Participant's employment or term of office with the Corporation or such Subsidiary Company, provided that in the case of termination of employment or term of office by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not include any period of reasonable notice that the Corporation or any Subsidiary Company may be required at law to provide to the Participant; and

(vv) "**Vesting Date**" means the date on which an RSU is vested for the purposes of the Plan.

Section 1.3 Interpretation

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

Section 1.4 Headings

The headings of all Articles, Sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.5 References to this RSU Plan

The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.6 Canadian Funds

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE 2 – SHARE CAPITAL

Section 2.1 Shares Reserved

- (1) Subject to adjustment under Section 5.3(1), the securities that may be acquired by Participants pursuant to RSUs granted under this Plan shall consist of authorized but unissued Common Shares.
- (2) The Company shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of RSUs granted under this Plan.
- (3) The aggregate maximum number of Common Shares made available for issuance under the Plan, including any other Share Compensation Arrangements, subject to adjustment under Section 5.3(1), shall be determined from time to time by the Board, but in any case, shall not exceed 20% of the Outstanding Issue from time to time, subject to adjustments as provided in the Plan.
- (4) The Plan shall be a "rolling plan" and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be

available for issuance pursuant to RSUs granted under the Plan.

Section 2.2 Limits on RSU Grants

- (1) The Company shall only grant RSU Awards under this Plan in accordance with Section 3.2 hereof. For greater certainty, all RSU Awards granted under the Plan which may be denominated or settled in Common Shares, and all such Common Shares issued under the Plan, will be issued pursuant to the prospectus and registration requirements of Applicable Securities Laws or an exemption from such prospectus and registration requirements.
- (2) The Company shall only grant RSU Awards under this Plan in compliance with Section 2.24 of NI 45-106. Until such time as the Corporation obtains shareholder approval of this RSU Plan and other Share Compensation Arrangements in accordance with section 2.24 of NI 45-106, such compliance shall be evidenced by a Compliance Certificate executed by the Company, in substantially the form attached hereto as Schedule "B", as may be amended by the Board from time to time.
- (3) The maximum number of listed securities of the Company (either issued directly or issuable on settlement of any RSUs or other convertible securities) which may be granted within any 12 month period to Persons engaged in Investor Relations Activities for the Company must not exceed 1% of the Outstanding Issue.

ARTICLE 3 – ADMINISTRATION

Section 3.1 General

- (1) This Plan shall be administered by the Board, in its discretion. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate (to the extent permitted by Applicable Law) the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. Any delegation pursuant to this Section 3.1 shall be documented in a resolution of the Board.
- (2) Subject to the terms and conditions set forth herein and Applicable Law, the Board is authorized to provide for the granting, vesting, settlement and method of settlement of RSUs, all on such terms (which may vary between RSUs granted from time to time) as it shall determine. In addition, the Board shall have the authority to:
 - (a) select any directors, officers, employees or Consultants of the Company or subsidiary of the Company to participate in this Plan; provided that RSUs granted to any Participant shall be approved by the Shareholders if the rules of the Stock Exchange require such approval;
 - (b) construe and interpret this Plan and all agreements entered into hereunder;
 - (c) prescribe, amend and rescind rules and regulations relating to this Plan; and
 - (d) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) An RSU Award shall be evidenced by an Restricted Share Unit Grant Agreement Certificate ("**Certificate**"), in substantially the form attached hereto as Schedule "A", as may be amended by the Board from time to time. Each such Certificate shall include the following terms and

conditions and such additional terms and conditions (in either case not inconsistent with the provisions of the Plan and such provisions of the Plan shall prevail in the event of a conflict between the Plan and a Certificate or any other communications) as the Board shall determine, in its discretion:

- (a) the number of RSUs subject to the RSU Award to be credited to the Participant's Account;
 - (b) the Grant Date;
 - (c) the Vesting Date or Vesting Dates applicable to the RSUs subject to the RSU Award;
 - (d) the Settlement Period and Expiry Date applicable to an RSU subject to the RSU Award;
 - (e) the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon settlement of the RSU;
 - (f) the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon settlement of an RSU may be forfeited; and
 - (g) such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.
- (4) No member of the Board (or person acting under delegated authority) nor the Company, will be liable for any action or determination taken or made in the administration, interpretation, construction or application of this Plan, any Certificate or any RSU issued pursuant to this Plan, or otherwise in any way in respect of any Participant's participation in this Plan or the holding or settlement of RSUs. To the fullest extent permitted by Applicable Law, the Company shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such Person is or was a member of the Board or is or was a member of the committee responsible for administering and operating the Plan in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.

Section 3.2 Compliance with Legislation

- (1) The Plan, the terms of the issue or grant and the settlement of RSUs hereunder and the Company's obligation to sell and deliver Common Shares upon settlement of RSUs shall be subject to all Applicable Laws and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any RSU hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No RSU shall be granted and no Common Shares issued or sold thereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any RSU or issue or sale of Common Shares hereunder in violation of this provision shall be void.
- (3) The Company shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Common Shares issued and sold to Participants pursuant to the settlement of RSUs may be subject to restrictions or limitations on sale or resale under Applicable Securities Laws.

- (4) If Common Shares cannot be issued to a Participant upon the settlement of an RSU due to legal or regulatory restrictions, the obligation of the Company to issue such Common Shares under the Plan shall terminate, at no cost to the Company nor obligation to otherwise compensate a Participant in any way.

Section 3.3 Miscellaneous

- (1) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required Shareholder or Stock Exchange approval.
- (2) Nothing contained in the Plan nor in any RSU granted hereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a Shareholder or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the settlement of any RSU.
- (3) The Plan does not give any Participant or any employee of the Company or any of its Affiliated Companies or Controlled Companies or subsidiaries the right or obligation to continue to serve as a Consultant, director, officer or employee of, or be engaged by, as the case may be, the Company or any of its Affiliated Companies or Controlled Companies or subsidiaries. The awarding of RSUs to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.
- (4) The existence of any RSUs shall not affect in any way the right or power of the Company or its Shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.
- (5) No fractional Common Shares shall be issued upon the settlement of RSUs granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the settlement of an RSU, or from an adjustment pursuant to Section 5.3(1) such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

ARTICLE 4 – RESTRICTED SHARE UNITS

Section 4.1 Granting of RSUs

- (1) Where the Board determines to grant an RSU Award to an Eligible Person under the terms and conditions applicable to such RSU Award, the Company shall deliver to the Eligible Person a Certificate, containing the terms and condition applicable to such RSU Award.
- (2) On the grant of an RSU Award, the Company will credit the Participant's Account with the number of RSUs granted to such Participant under the terms of the RSU Award.
- (3) The grant of an RSU Award shall entitle the Participant to the conditional right to receive for each RSU credited to the Participant's Account, at the election of the Company, either one Common Share or an amount in cash, net of applicable taxes and contributions to government sponsored plans, as

determined by the Board, equal to the Market Price of one Common Share for each RSU credited to the Participant's Account on the Settlement Date, subject to the conditions set out in the Certificate and in the Plan, and subject to all other terms of this Plan.

- (4) An Eligible Person may receive an RSU Award on more than one occasion under the Plan and may receive separate RSU Awards on any one occasion.
- (5) RSUs granted under this Plan to an Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or an Affiliate, as the case may be, in the fiscal year ending in, coincident with or before such calendar year, subject to any other determination by the Company.

Section 4.2 Dividends

- (1) Unless the Board determines otherwise, additional RSUs ("**Dividend RSUs**") will be credited to a Participant's Account where the Company declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had they been holding such number of Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Common Shares and the Market Price of the Common Shares on the payment date.
- (2) Dividend RSUs credited to a Participant's Account shall vest and be settled in the same manner and on the same date as the RSUs to which they relate.

Section 4.3 Settlement of Restricted Share Units

- (1) Subject to the provisions of the Plan and in particular Section 4.4 and Section 5.2 and any vesting limitations imposed by the Board in its sole unfettered discretion at the time of grant, RSUs subject to an RSU Award may be settled by a Participant during the Settlement Period applicable to the RSU by delivery to the Company of a notice (the "**Settlement Notice**") in a form attached to the Certificate. As soon as practicable following the receipt of the Settlement Notice, RSUs will be settled by the Company through the delivery by the Company of such number of Common Shares equal to the number of RSUs then being settled or, at the Company's election, an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price at the Settlement Date of one Common Share for each RSU then being settled. Where, prior to the Expiry Date, a Participant fails to elect to settle an RSU, the Participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date.
- (2) Notwithstanding the foregoing, if the Company elects to issue Common Shares in settlement of RSUs:
 - (a) the Company may arrange for such number of the Common Shares to be sold as it deems necessary or advisable to raise an amount at least equal to its determination of such applicable taxes, with such amount being withheld by the Company; or
 - (b) the Company may elect to settle for cash such number of RSUs as it deems necessary or advisable to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company; or

- (c) the Company may, as a condition of settlement in the form of Common Shares, require the Participant to pay the applicable taxes as determined by the Company or make such other arrangement acceptable to the Company in its discretion (if at all) as it deems necessary or advisable.
- (3) Subject to the terms of the Plan, as soon as practicable after receipt of any of the amount, undertaking or election listed in Section 4.3(2), the Company will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Participant a certificate or certificates in the name of the Participant or a statement of account, at the discretion of the Company, representing in the aggregate Common Shares issued to the Participant.
- (4) Notwithstanding any other provision of the Plan:
 - (a) no RSU shall be capable of settlement after the Expiry Date, provided, however, that if the Expiry Date in respect of an RSU falls on a date upon which such Participant is prohibited from exercising such RSU due to a Black-Out Period or other trading restriction imposed by the Company, then the Expiry Date of such RSU shall be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Company is lifted, terminated or removed. The foregoing extension applies to all RSUs regardless of the Grant Date and shall not be considered an extension of the term thereof as otherwise referred to in the Plan. In addition, the Participant acknowledges that such as extension may result in less favourable tax consequences to the Participant than if the RSUs had been settled on the original Expiry Date;
 - (b) the Settlement Period shall be automatically reduced in accordance with Section 4.4 upon the occurrence of any of the events referred to therein; and
 - (c) no RSU in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be settled until such time as such RSU has been so approved.

Section 4.4 Termination of Service

- (1) Except as otherwise determined by the Board:
 - (a) all RSUs held by the Participant (whether vested or unvested) shall terminate automatically on the Termination Date for any reason other than as set forth in paragraph (b) and (c) below;
 - (b) in the case of a termination of the Participant's service by reason of (A) termination by the Company or any subsidiary of the Company other than for Cause, or (B) the Participant's death or Disability, the Participant's unvested RSUs shall vest automatically as of such date, and on the earlier of the original Expiry Date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or their executor or administrator, or the person or persons to whom the Participant's RSUs are transferred by will or the applicable laws of descent and distribution) will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;
 - (c) in the case of a termination of the Participant's services by reason of voluntary resignation,

only the Participant's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;

- (d) for greater certainty, where a Participant's employment, term of office or other engagement with the Company terminates by reason of termination by the Company or any subsidiary of the Company for Cause then any RSUs held by the Participant (whether unvested or vested) at the Termination Date, immediately terminate and are cancelled on the Termination Date or at a time as may be determined by the Board, in its discretion;
- (e) a Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the earliest of the date the Participant resigns from or terminates its engagement with the Company or any subsidiary of the Company and the date that the Company or any subsidiary of the Company provides the Participant with written notification that the Participant's employment, term of office or engagement, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date; and
- (f) for the purposes of the Plan, a Participant shall not be deemed to have terminated service or engagement where: (i) the Participant remains in employment or office within or among the Company or any subsidiary of the Company or (ii) the Participant is on a leave of absence approved by the Board.

Section 4.5 Non-transferability of RSUs

- (1) RSUs shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.

ARTICLE 5 – TERMINATION, AMENDMENTS AND ADJUSTMENTS

Section 5.1 Amendment and Termination

- (1) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable law, and subject to any required regulatory approval.
- (2) No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any Participant without the consent of such Participant.
- (3) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan termination shall continue in effect during such time as an RSU or any rights pursuant thereto remain outstanding.
- (4) With the consent of the affected Participant, the Board may amend or modify any outstanding RSU in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which the RSU becomes exercisable, subject to the prior approval of the Stock Exchange where

necessary.

Section 5.2 Change of Control

- (1) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation.
- (2) The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.

Section 5.3 Adjustments

- (1) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Stock Exchange where necessary, appropriate substitution or adjustment in
 - (a) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
 - (b) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the Plan;

provided, however, that no substitution or adjustment shall obligate the Company to issue fractional RSUs or shares. If the Company is reorganized, amalgamated with another company or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

- (2) For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional RSUs, Common Shares or other securities of the Company will be granted to a Participant to compensate the Participant for any downward fluctuations in the Market Price of a Common Share nor will any other form of benefit, cash or otherwise, be conferred upon, or in respect of, a Participant for such a purpose.

ARTICLE 6 – GENERAL

Section 6.1 Effective Date

The Plan shall be effective upon the approval of the Plan by the Board.

Section 6.2 Notice

Any Notice required to be given by this Plan shall be in writing and shall be given by registered mail,

postage prepaid, or delivered by courier or by electronic transmission addressed, if to the Company, to the operations office of the Company in Vancouver, British Columbia, Attention: CFO; or if to a Participant, to such Participant at their address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 6.3 Tax Withholdings

The Company shall be entitled to withhold such number of Common Shares or amount of cash payable to a Participant, either under this Plan or otherwise, or make such other arrangement as are contemplated under Section 4.3(2), as it may deem necessary or advisable so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding or remittance of tax or other relevant amounts. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified under applicable laws as a result of the Participant's participation in the Plan. The Company shall not be responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

Section 6.4 Rights of Participants

No person entitled to settle any RSU granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon settlement of such RSU until such Common Shares have been issued to such person. Subject to Section 4.2 and Section 5.3, no holder of any RSUs shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for Shareholders for which the record date is prior to the date on which Common Shares are issued in satisfaction of a Participant's RSUs.

Section 6.5 Right to Funds

- (1) Neither the establishment of this Plan nor the granting of RSUs under this Plan shall be deemed to create a trust.
- (2) Amounts payable to any Participants under this Plan shall be a general, unsecured obligation of the Company.
- (3) The right of the Participant to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Company.

Section 6.6 Right to Issue Other Shares

The Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

Section 6.7 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the legal representatives of such Participant or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

Section 6.8 Funding of the Plan

The Plan shall be unfunded. No funds will be set aside to guarantee the payment of RSUs, which will remain an unfunded liability recorded on the books of the Company.

Section 6.9 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plan.

Section 6.10 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Section 6.11 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

SCHEDULE "A" – RESTRICTED SHARE UNIT AGREEMENT CERTIFICATE

TO: [Name of Participant] (the "**Participant**")

Dear ●

Highland Red Lake Gold Corp. (the "**Company**") hereby confirms a grant of restricted share units ("**RSUs**") described in the table below to the Participant pursuant to the Company's Restricted Share Unit Plan (the "**RSU Plan**"), as amended from time to time. The RSU Plan is incorporated herein by reference and made a part of this letter agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

Each RSU granted to the Participant named herein represents the right of the Participant to receive one common share in the share capital of the Company (an "**RSU Share**") or, at the Company's election, an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price of one RSU Share for each RSU then being settled, on the date(s) or pursuant to the terms specified below. Upon each Vesting Date, the Participant may deliver a written notice in the form attached hereto as Appendix "1" specifying the number of RSUs to be denominated or settled, in the Company's discretion, in Common Shares or cash.

Provided that no Expiry Date or any Vesting Date is a date that is more than three years from the Grant Date, and subject to any further vesting conditions noted herein or the RSU Plan, the following number of RSUs are awarded with the following Grant Date(s), Expiry Date(s) and Vesting Date(s):

| No. of RSUs | Grant Date | Vesting Date | Expiry Date |
|-------------|------------|--------------|-------------|
| | | | |
| | | | |
| | | | |

[Any additional vesting conditions added here]

The Participant hereby acknowledges and consents that:

1. The Participant has received a copy of the RSU Plan and has read, understands and agrees to be bound by the provisions of the RSU Plan, including provisions relating to the tax treatment, tax withholding obligations and tax reassessment risks that apply or may apply in certain circumstances;
2. The Participant is, under the terms and conditions of the RSU Plan, a bona fide Eligible Person, entitled to receive RSUs under the RSU Plan and Applicable Law;
3. The RSUs granted hereunder shall vest, be redeemed and terminate in accordance with the provisions set out in this Agreement and the provisions of the RSU Plan;
4. RSU Shares will be subject to restrictions on disposition for a period of four (4) months from the Grant Date and, if issued before the date that is four (4) months after the Grant Date, will be legended accordingly and, in any event, will comply with the restrictions on

disposition of Applicable Securities Laws and Stock Exchange Policy;

5. If the Participant is, or becomes, a resident of the United States of America, the Participant will (and it shall be a condition of the redemption of the Participant's RSUs) that the Participant will execute such additional certificate of representation that may be reasonably required by the Company; and
6. The Participant acknowledges and consents to the Company collecting the Participant's personal information for the purposes of this Certificate; retaining the personal information for as long as permitted or required by Applicable Law or business practices; and providing to various governmental and regulatory authorities, as may be required by Applicable Securities Laws, Stock Exchange rules, including Stock Exchange Policy, and the rules of the Investment Industry Regulatory Organization of Canada (IIROC) or to give effect to this agreement any personal information provided by the Participant.

DATED _____, 20____.

HIGHLAND RED LAKE GOLD CORP.

Per: _____ Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the RSU Plan, agrees to be bound by the provisions thereof and agrees that the RSU Plan will be effective as an agreement between the Company and the undersigned with respect to the RSUs granted or otherwise issued to the undersigned.

DATED _____, 20____.

Participant's Signature

Name of Participant (print)

[OR]

[NAME OF COMPANY PARTICIPANT]

By:

Authorized Signatory

Name of Authorized Signatory

APPENDIX "1" RSU NOTICE FORM

To: The Board of Directors of Highland Red Lake Gold Corp. (the "Company")

1. The undersigned (the "**Participant**"), being the holder of restricted share units ("**RSUs**") of the Company pursuant to the RSU plan of the Company (the "**RSU Plan**"), hereby elects, in accordance with and subject to the RSU Plan and the Certificate granting the RSUs to the Participant, to acquire
_____common shares in the capital of the Company (each, an "**RSU Share**") on a basis of, and at the Company's election, either: (a) one (1) RSU Share for each vested RSU held by the RSU Holder, or (b) an amount in cash, net of applicable taxes, equal to the Market Price of one RSU Share for each vested RSU.
2. The Participant acknowledges and agrees that the issuance of the RSU Shares, if applicable, is subject to the terms and conditions of the Certificate representing the RSUs and the RSU Plan.
3. If the Company elects to denominate or settle the RSUs on the basis of RSU Shares, the Participant directs the Company to register and deliver certificates or DRS Statements evidencing the RSU Shares as follows:

4. If the Company elects to denominate or settle the RSUs on the basis of cash, the Participant directs the Company to issue and deliver a cheque as follows in respect of the portion of the RSU Shares settled in cash:

All capitalized terms not defined herein shall have the meanings attributable to such terms as in the RSU Plan.

DATED the _____ day of _____, 20____.

Signature of Witness

Signature of Participant

Name of Witness (please print)

Name of Participant (please print)

SCHEDULE "B" COMPLIANCE CERTIFICATE

Highland Red Lake Gold Corp. (the "**Company**") has granted or proposes to grant to _____ (the "**Recipient**") a total of _____ restricted share units ("**RSUs**") pursuant to the Company's Restricted Share Unit Plan (the "**RSU Plan**"), as amended from time to time. The RSU Plan is incorporated herein by reference and made a part of this compliance certificate. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

In connection with such grant, the Company confirms that, for the purposes of NI 45-106, either of the following apply:

(a) ___ The Recipient is not one of the following (a "**Specified Recipient**"): an investor relations person of the Company, an associated consultant of the Company, an executive officer of the Company, a director of the Company, or a permitted assign of those persons; or

(b) ___ if the Recipient is a Specified Recipient, after the grant, the number of Common Shares, calculated on a fully diluted basis,

(i) reserved for issuance under stock options of the Company granted to (A) related persons does not exceed 20% of the outstanding shares of the Company, and (B) a related person does not exceed 5% of the outstanding shares of the Company; and

(ii) issued within 12 months to (A) related persons does not exceed 20% of the outstanding shares of the Company, and (B) a related person and the associates of the related person does not exceed 5% of the outstanding shares of the Company.

Dated _____ 20__.

HIGHLAND RED LAKE GOLD CORP.

Authorized Signatory

SCHEDULE “J” – NOTICE OF PETITION

[See attached.]

No. S-257929
Vancouver Registry

In the Supreme Court of British Columbia

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
HIGHLAND CRITICAL MINERALS CORP. AND HIGHLAND RED LAKE GOLD CORP.

AND

HIGHLAND CRITICAL MINERALS CORP.

Petitioner

NOTICE OF PETITION

To: The holders (the "**Company Shareholders**") of outstanding common shares of Highland Critical Minerals Corp. (the "**Company**")

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by the Petitioner in the Supreme Court of British Columbia (the "**Court**") for approval of a plan of arrangement (the "**Arrangement**") pursuant to the *Business Corporations Act*, S.B.C. 2002, c.57, as amended (the "**BCBCA**").

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application pronounced by Associate Judge Robinson on October 27, 2025 the Court has given directions for approval of the Arrangement by way of a meeting of the Company Shareholders.

AND NOTICE IS FURTHER GIVEN that if the Arrangement is approved by the Company Shareholders, the Petitioner intends to apply to the Court for a final order approving the Arrangement and for a determination that the terms of the Arrangement are procedurally and substantively fair and reasonable (the "**Final Order**"), which application shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on November 28, 2025 at 9:45 am (Vancouver time), or as soon thereafter as counsel may be heard or at such other date and time as the Court may direct (the "**Final Application**").

NOTICE IS FURTHER GIVEN that the Court has been advised that, if granted, the Final Order approving the Arrangement and the declaration that the Arrangement is substantively and procedurally fair and reasonable to the Company Shareholders will serve as a basis of a claim for the exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, set forth in Section 3(a)(10) thereof with respect to the issuance and exchange of such securities under the proposed Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the Final Application, but only if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") in the form prescribed by the *Supreme Court Civil Rules*, and delivered or emailed a copy of the filed Response, together with all affidavits and other material upon which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submission, to the Petitioner at its address for delivery set out below by or before 2:00 p.m. (Vancouver time) on November 26, 2025:

The Petitioner's address for delivery is:
Edwards, Kenny and Bray LLP
1900 – 1040 West Georgia Street
Vancouver, BC V6E 4H3
Attention: Laura C. Morrison
Email: service@ekb.com

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend, either in person or by counsel, at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Company Shareholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Company Shareholders upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Estimated time required: 10 minutes

This matter is not within the jurisdiction of an Associate Judge.

Date: October 27, 2025

Signature of lawyer for Highland Critical Minerals Corp.
Laura C. Morrison