

## 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: "Edward Yew"  
Edward Yew, CEO

**HIGHLAND RED LAKE GOLD CORP.**

By: "Edward Yew"  
Edward Yew, President

**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, High 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.