Material Change Report

Form 51-102F3

Item 1 - Name and Address of Company

Highland Copper Company Inc. (the "**Company**" or "**Highland**")
1111 St-Charles West
West Tower, Suite 101
Longueuil, QC J4K 5G4

Item 2 - Date of Material Change

May 20, 2019 and May 24, 2019

Item 3 - News Release

News releases in respect of this material change were disseminated via Globe Newswire on May 21, 2019 and on May 27, 2019 and filed on SEDAR.

Item 4 - Summary of Material Change

On May 20, 2019, the Company entered into a US$4.5 million credit agreement with two of its significant shareholders, Greenstone Resources II LP ("**Greenstone**") and Osisko Gold Royalties Ltd ("**Osisko**") (collectively, the "**Lenders**"). On May 24, 2019, the Company, having satisfied all conditions precedent under the credit agreement, made an initial drawdown of US$2,750,000.

Item 5 - Full Description of Material Change

On May 21, 2019, the Company announced the execution of a credit agreement with the Lenders under which the Lenders agreed to provide the Company with a loan of up to US4.5 million (the "**Loan**"). The Loan will bear interest at a rate of twelve percent per annum, have a maturity date of nine months from the initial drawdown and will be disbursed in a number of tranches pursuant to an approved budget. The principal amount of the Loan as well as accrued interest will be payable at the latest on the maturity date.

On May 27, 2019, the Company announced the closing of the US$4.5 million credit agreement. Having satisfied all conditions precedent under the credit agreement, the Company made an initial drawdown of US$2,750,000. The Loan, which is secured by a mortgage on the Copperwood project, bears interest at a rate of 12% per annum and will mature on February 28, 2020.

The Company will be using the proceeds from the Loan to settle its working capital deficiency, to initiate a scoping study on the White Pine project and for general corporate purposes. The Company also intends to appoint a financial advisor to start a strategic review process.

Related Party Disclosure

The terms of the credit agreement and the use of proceeds are detailed above. The loan puts the Company in a better financial position. The Lenders, Greenstone and Osisko, respectively hold

17.1% and 15.7% of the issued and outstanding common shares of the Company. The entering into the Loan is considered to be a "related party transaction" under *Multilateral Instrument 61-101 respecting Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

The board of directors of the Company reviewed the terms of the credit agreement in light of the current market conditions for a company like Highland and its financial circumstances and unanimously approved the terms of the credit agreement under which the Loan is provided.

The Company relied on an exemption from the formal valuation requirements of MI 61-101 set out in section 5.5(b) of MI 61-101 on the basis that its securities were not listed on certain specified markets.

The Company also relied on an exemption from the requirement to obtain minority approval pursuant to 5.7(1)(f) of MI 61-101, as the board of directors, acting in good faith, determined that the Loan (i) is on reasonable commercial terms that are not less advantageous to the Company than if the Loan was obtained from an arm's length party, and (ii) is not convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary of the Company or repayable as to principal or interest, directly or indirectly, in equity or voting securities of the Company or a subsidiary of the Company.

The filing of the material change report less than 21 days before closing was due to the fact that the credit agreement was only entered into on May 20, 2019 and closed on May 24, 2019.

Item 6 - Reliance on subsection 7.1(2) of National Instrument 51-102

There is no reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7 - Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 - Executive Officer

Carole Plante, Corporate Secretary
Telephone: (450) 677-2455

Item 9 - Date of Report

May 28, 2019.