

# Highland Copper Arranges Financing

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LONGUEUIL, QUEBEC -- (Marketwired - Dec. 16, 2014) - [Highland Copper Company Inc.](#) (TSX VENTURE:HI) ("Highland" or the "Company") is pleased to announce that it has completed a transaction with [Osisko Gold Royalties Ltd](#) ("Osisko"), including a C\$10 million secured loan which upon Highland completing its acquisition of the White Pine North project, will be exchanged for a 3% sliding-scale NSR royalty on all metals from that project. Highland has also granted to Osisko an option to purchase for US\$26 million any future silver production from the Company's projects, including White Pine and Copperwood (the "Michigan Projects").

Part of the proceeds of the loan have been used to reimburse the US\$7 million promissory note and accrued interest due to Orvana Minerals Corp. for the acquisition of the Copperwood project (see news release of June 17, 2014), and the balance will be used for general corporate purposes.

Highland also announces that it has engaged RMB Resources Inc. ("RMB") to arrange a US\$20 million credit facility to be provided by RMB Australia Holdings Limited or any other entity of the FirstRand Group.

These endorsements by Osisko and RMB demonstrate the high quality of the copper assets that management of the Company has assembled in the Upper Peninsula region of Michigan, USA. The completion of these financing arrangements should allow the Company to aggressively pursue its mine development strategy of completing a pre-feasibility study in 2015 incorporating all of the Michigan Projects.

## Transaction with Osisko

Osisko has provided a C\$10 million loan to the Company secured against all of the Company's assets (the "Secured Loan"), until the earlier of such time that the Company completes the acquisition of the White Pine project, or December 31, 2015. Upon Highland completing its acquisition of White Pine, the Secured Loan will be assigned to Highland in exchange for a 3% sliding-scale NSR royalty on all metals from the White Pine North project (the "White Pine North Royalty"). The White Pine North Royalty has a base rate 3% NSR and increases by 0.01% NSR for every \$0.01 increase in the copper price above \$3.00 per pound.

In addition, the Company has granted Osisko an option to acquire a 100% NSR Silver royalty (the "Silver Royalty") on any future production of silver from Highland's interest in the Michigan Projects. Osisko may elect to exercise the option to purchase the Silver Royalty by paying US\$26 million to Highland within 60 days following the delivery to Osisko of a feasibility study on the Michigan Projects.

As part of the transaction, Osisko has the right to nominate one director to the Board of Highland. Osisko will also be entitled to nominate one additional director to the Board upon the exercise of the Silver Royalty option.

## RMB Resources to Arrange US\$20 Million Loan Facility

Highland has signed an agreement mandating RMB to arrange a US\$20 million loan facility ("Facility") for Highland. RMB is the resource merchant banking division of the FirstRand Group of South Africa. The Facility would be for a term of 36 months at LIBOR plus 5.0% per annum. It is expected that the security interests to be granted to RMB would rank pari passu with the securities granted to Osisko.

RMB has completed its initial due diligence and the proposed Facility is expected to close in early February 2015, subject to customary requirements for senior debt facilities, including final approval by RMB's investment committee.

The purpose of the Facility is to provide the Company with interim financing to advance the evaluation and development of the Company's Michigan Projects, including pre-feasibility study, feasibility, permitting, and for general corporate purposes.

## AMCI

AMCI Holdings Inc. ("AMCI") has advised Highland that it will not proceed with the proposed joint venture

before year-end as previously announced. AMCI intends to reengage with the Company in the first quarter of 2015 with a view to participate in the projects on mutually acceptable terms. AMCI which owns nearly 11 million common shares in Highland, has confirmed that it will continue to support Highland as a significant shareholder regardless of how joint venture discussions progress.

### **Corporate Update**

The Company held its 2014 annual meeting of shareholders on December 9, 2014. David Fennell, James Crombie, Adrian Fleming, John L. Johnson, Allen Winters and Jo Mark Zurel were re-elected as directors of the Company. Shareholders also re-appointed KPMG LLP as auditors and approved the Company's stock option plan. Robert Eadie did not stand for re-election as a director of the Company. The board would like to thank Mr. Eadie for his contribution to the Company over the last few years and wish him well in his future endeavours.

The Company also wishes to announce the appointment of Mr. Carlos Bertoni as Executive Vice President, Project Development. Mr. Bertoni is a Professional Geoscientist and a seasoned mining industry executive with over 30 years of experience. A M.Sc. graduate of Queen's University, Mr. Bertoni has been acting as project manager of Highland since 2013. Dr. Ross Grunwald has recently retired as VP Exploration for Highland but will continue to provide consulting services. The Company would like to recognize Mr. Grunwald's contribution to the Company over the last few years.

### **ABOUT HIGHLAND**

Highland Copper Company Inc. is a Canadian exploration company focused on exploring and developing copper projects within the Upper Peninsula of Michigan, U.S.A. Additional information about Highland is available on the Company's website at [www.highlandcopper.com](http://www.highlandcopper.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **CAUTIONARY STATEMENT**

*Certain statements contained in this news release constitute forward looking information under the provisions of Canadian securities laws, including statements about Highland's plans to complete a pre-feasibility study on the Michigan Projects in 2015, the arrangement of the RMB Secured Loan and its approval by RMB's investment committee, the exercise by Osisko of its option to acquire the Silver Royalty, the possibility of concluding an agreement with AMCI regarding a participation in Highland's projects and the acquisition of the White Pine project. The information contained herein reflects Highland's views as of the date of this news release. Forward looking information is based on assumptions, and by its nature is subject to risks and uncertainties that may cause actual future events to differ materially from those anticipated in it. Such risks and uncertainties include, but are not limited to: fluctuations in the price of copper; fluctuations in the value of the Canadian dollar relative to the U.S. dollar; stock market volatility affecting Highland's ability to access sufficient capital; changes to regulations affecting Highland's activities; title, permit or license disputes related to Highland's properties; Highland's ability to obtain the necessary government approval to complete the final closing of the acquisition of White; and delays due to difficult operating conditions caused by inclement weather. The materialization of any of these risks may cause actual results to be materially different from those expected by the Company at this time. The Company does not intend, and does not assume any obligation, to update forward-looking information, except as required by law. Accordingly, readers are advised not to place undue reliance on forward-looking information.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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