

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. These securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

This preliminary short form prospectus is a base shelf prospectus. This preliminary short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this preliminary short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements is available.

No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise. This preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See "Plan of Distribution". Information has been incorporated by reference in this preliminary short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Highlander Silver Corp., at 2500 – 100 King Street West, Toronto, Ontario, Canada, telephone 604-657-1717 and are also available electronically at www.sedarplus.ca.

The securities offered hereby have not been and will not be 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 (as defined in Regulation S under the U.S. Securities Act) (the "United States") and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the "United States") or to, or for the account or benefit of, a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a "U.S. Person") unless registered under the U.S. Securities Act and any applicable securities laws of any state of the United States or an exemption from such registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States are available. This preliminary short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to any U.S. Person, see "Plan of Distribution" below.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

March 14, 2025



HIGHLANDER SILVER CORP.

\$200,000,000

**COMMON SHARES
DEBT SECURITIES
WARRANTS
SUBSCRIPTION RECEIPTS
UNITS**

Highlander Silver Corp. ("Highlander" or the "Company") may, from time to time, offer and issue the following securities: (i) common shares of the Company ("Common Shares"); (ii) senior or subordinated secured or unsecured debt securities (collectively, "Debt Securities"), which may include debt securities convertible into or exchangeable for other securities of the Company described in this short form base shelf prospectus (the "Prospectus"); (iii) warrants to acquire Common Shares or other securities of the Company described in this Prospectus ("Warrants"); (iv) subscription receipts of the Company exchangeable for Common Shares or other securities of the Company described in this Prospectus ("Subscription Receipts"); or (v) units comprised of one or more of the other securities described in this Prospectus ("Units", and collectively with the Common Shares, Debt Securities, Warrants and Subscription

Receipts, the “**Securities**”), having an aggregate offering price of up to \$200,000,000 during the 25-month period that this Prospectus, including any amendments thereto, remains effective. The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement (a “**Prospectus Supplement**”).

The specific terms of the Securities offered in a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms, whether the Debt Securities will be secured by any of the Company’s assets or guaranteed by any other person, priority or subordination of the Debt Securities to other indebtedness and any other specific terms; (iii) in the case of Warrants, the designation, number and terms of the Securities issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts offered, the offering price, the designation, number and terms of the Securities issuable in exchange for the Subscription Receipts upon satisfaction of certain release conditions, any procedures that will result in the adjustment of these numbers, any additional payments to be made to holders of Subscription Receipts upon satisfaction of the release conditions, the terms of the release conditions, the terms governing the escrow of all or a portion of the gross proceeds from the sale of the Subscription Receipts, terms for the refund of all or a portion of the purchase price for the Subscription Receipts in the event that the release conditions are not met or any other specific terms; and (v) in the case of Units, the designation, number and terms of the Common Shares, Warrants, Debt Securities or Subscription Receipts comprising the Units.

For greater certainty, this Prospectus may qualify the issuance of Debt Securities, including Debt Securities convertible into other Securities of the Company, in respect of which the payment of principal or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers’ acceptance rate, or to recognized market benchmark interest rates. A Prospectus Supplement may include specific variable terms pertaining to the above-described Securities that are not within the alternatives or parameters set forth in this Prospectus. The Company does not intend to issue “novel” securities pursuant to this Prospectus, as such term is defined under National Instrument 44-102 – *Shelf Distributions* (“**NI 44-102**”).

All shelf information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, to the extent required by applicable securities laws. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. You should read this Prospectus and any applicable Prospectus Supplement carefully before you invest in any Securities issued pursuant to this Prospectus.

An investment in the Securities involves a high degree of risk. Investors or prospective investors should carefully read the “*Risk Factors*” section detailed in this Prospectus.

Certain directors and officers of the Company and certain persons for whom the Company is required to file a consent in connection herewith, reside outside of Canada. Although such persons have appointed the Company as their agent for service of process, it may not be possible for investors to enforce

judgements obtained in Canada against such persons. See *“Enforcement of Judgements Against Foreign Persons or Companies”*.

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. The Company may offer and sell the Securities to, or through, underwriters or dealers, including by way of an “at-the-market distribution” as defined in NI 44-102 (an “**ATM Distribution**”) and also may offer and sell certain of the Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. The Prospectus Supplement relating to each issue of the Securities offered thereby will set forth the names of any underwriters, dealers or agents involved in the offering and sale of such Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities, including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents, and any other material terms of the plan of distribution. See “Plan of Distribution”.

No underwriter has been involved in the preparation of, or has performed a review of, the contents of this Prospectus.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices, or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices, or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the Securities.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), excluding an ATM Distribution, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. A purchaser who acquires Securities forming part of the underwriters’, dealers’ or agents’ over-allocation position acquires those securities under this Prospectus. No underwriter, dealer or agent involved in an ATM Distribution undertaken pursuant to any Prospectus Supplement, no affiliate of such underwriter, dealer or agent and no person or company acting jointly or in concert with such underwriter, dealer or agent will over-allot or effect transactions which stabilize or maintain the market price of the Securities offered. See *“Plan of Distribution”*.

The Common Shares are listed on the Canadian Securities Exchange (the “**CSE**”) under the stock symbol “HSLV”. On March 13, 2025, being the last complete trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$1.78. **Unless otherwise specified in a Prospectus Supplement, there is no market through which the Securities, other than the Common Shares, may be sold and holders may not be able to resell any of such Securities, other than the Common Shares, purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of such Securities, other than the Common Shares, on the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation. See “Risk Factors”.**

The Company’s head office is located at 2500 – 100 King Street West, Toronto, Ontario, Canada, M5X 1A9. Its registered and records office is located at 1200 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

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ABOUT THIS PROSPECTUS

This Prospectus provides a general description of the Securities that the Company may offer. Each time the Company sells any of the Securities under this Prospectus, it will provide purchasers of the Securities with a Prospectus Supplement that will contain specific information about the terms of that offering in accordance with applicable securities laws. The Prospectus Supplement may also add, update or change information contained in this Prospectus or in the documents incorporated by reference herein. Before investing in any of the Securities, you should read both this Prospectus and any applicable Prospectus Supplement together with additional information found in the documents incorporated by reference in this Prospectus under “*Documents Incorporated by Reference*”.

You should rely only on the information contained in or incorporated by reference into this Prospectus. The Company has not authorized anyone to provide you with different information. The Company is not making an offer of the Securities in any jurisdiction where the offer is not permitted. You should bear in mind that although the information contained in this Prospectus and any Prospectus Supplement is accurate as of any date on the front of such documents, such information may also be amended, supplemented or updated by the subsequent filing of additional documents deemed by law to be or otherwise incorporated by reference into this Prospectus and by any subsequently filed Prospectus amendments.

Unless stated otherwise or the context otherwise requires, all currency presentation and references to dollar amounts in this Prospectus and any Prospectus Supplement are references to Canadian dollars. The Company’s financial statements that are incorporated by reference into this Prospectus and any Prospectus Supplement are expressed in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards. Unless the context otherwise requires, references in this Prospectus and any Prospectus Supplement to “**Highlander**”, the “**Company**”, “**we**”, “**us**” or “**our**” includes the Company and each of its material subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference into this Prospectus contain “forward-looking statements” within the meaning of applicable Canadian securities laws (“**forward-looking statements**”), concerning the Company’s plans for its properties, operations and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning estimates of mineral resources may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property in which that mineralization is contained is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements included or incorporated by reference in this Prospectus include, but are not limited to, estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to

occur; exploration and development plans; timing of such exploration plans, and potential results of such exploration plans; recommended work programs and the expected results therefrom; the expectation that net proceeds from the sale of the Securities will be used towards the exploration of the San Luis Project (as defined below) and general corporate purposes, including funding potential future acquisitions, capital expenditures, and debt repayment; the expectation that the current working capital will be sufficient to fund current operations and capital requirements for the next 12 months; the expectation to incur operating losses in future periods due to continuing expenses associated with advancing the Company's mineral projects, seeking new business opportunities, and general and administrative costs; and the expectation that the Company will continue to raise necessary funds primarily through the issuance of Securities.

Any such forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning silver and other base and precious metal prices; cut-off grades; accuracy of mineral resource estimates and resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated political and social conditions; expected government policy, including reforms; and the ability to successfully raise additional capital.

Forward-looking statements are subject to a variety of risks and uncertainties, both general and specific, which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: the ability to raise funding to continue mineral exploration activities; debt risk; Common Share price fluctuation; global economic conditions; negative operating cash flow; uncertainty of future revenues or of a return on investment; no defined mineral reserves with no mineral properties in production or under development; the speculative nature of mineral exploration and development; risk of global outbreaks and contagious diseases; risks from international operations; risk associated with an emerging and developing market; relationships with, and claims by, local communities and indigenous groups; geopolitical risk; risks related to obtaining future environmental licenses for exploitation; permitting risk; constitutional court ruling risk; anti-mining sentiment; failure to comply strictly with applicable laws, regulations and local practices may have a material adverse impact on the Company's operations or business; the Company's concessions are subject to pressure from artisanal and illegal miners; the inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control; land title risk; fraud and corruption by third-parties; ethics and business practices; the Company may in the future become subject to legal proceedings; the Company's mineral assets are located outside Canada and are held indirectly through foreign affiliates; commodity price risk; exchange rate fluctuations; joint ventures; property commitments; infrastructure; properties located in remote areas; lack of availability of mineral resources; key management; dependence on highly skilled personnel; competition, significant shareholders; conflicts of interests; uninsurable risks; information systems; public company obligations; internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement; the Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price; the value of the Common Shares, as well as its ability to raise equity capital, may be impacted by future issuances of Common Shares; and measures to protect endangered species may adversely affect the Company's operations, as well as those factors discussed in this Prospectus. See "*Risk Factors*".

For additional risk factors that could cause results to differ materially from forward-looking information, see the section entitled “*Risk Factors*” below and in the Annual Information Form (as defined herein) and in the Annual MD&A (as defined herein). Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward-looking statements are made based on management’s informed judgement, beliefs, estimates and opinions on the date the statements are made. Other than as required by applicable law, the Company undertakes no obligation to update forward-looking statements if such judgements, beliefs, estimates and opinions or other circumstances should change. Accordingly, investors should appreciate the inherent uncertainty of, and not place undue reliance on, forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada (the “**Commissions**”). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 2500 – 100 King Street West, Toronto, Ontario, Canada, M5X 1A9, telephone: 604-687-1717 and are also available electronically on the Canadian System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) at www.sedarplus.ca. The Company’s filings through SEDAR+ are not incorporated by reference into this Prospectus except as specifically set forth herein.

The following documents of the Company, which have been filed with the Commissions, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form of the Company dated March 14, 2025 (the “**Annual Information Form**”);
- (b) the audited consolidated financial statements of the Company for the years ended September 30, 2024 and 2023, together with the notes thereto and the auditors’ report thereon and related management’s discussion and analysis (the “**Annual MD&A**”);
- (c) the unaudited interim condensed consolidated financial statements of the Company for the three-month period ended December 31, 2024 and 2023, together with the notes thereto (the “**Interim Financial Statements**”) and related management’s discussion and analysis;
- (d) the Business Acquisition Report dated August 2, 2024 (the “**Business Acquisition Report**”);
- (e) the management information circular of the Company dated February 9, 2024 prepared in connection with the Company’s annual general meeting of shareholders held on March 15, 2024;
- (f) the material change report dated October 29, 2024 in respect of the Company joining the Augusta Group of Companies and announcing changes to management and members of the board of directors of the Company;
- (g) the material change report dated January 15, 2025 in respect of the Company announcing a new management team; and

- (h) the material change report dated March 11, 2025 in respect of the Company's bought deal private placement of Common Shares (the "**March Private Placement**") completed on March 11, 2025.

Any documents of the type described in Section 11.1 of Form 44-101F1 - *Short Form Prospectus* filed by the Company with a Commission subsequent to the date of this Prospectus and prior to the expiry of this Prospectus, or the completion of the issuance of Securities pursuant hereto, will be deemed to be incorporated by reference into this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

A Prospectus Supplement containing the specific terms of an offering of the Securities and other information relating to the Securities will, subject to an exemption from the delivery requirements, be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

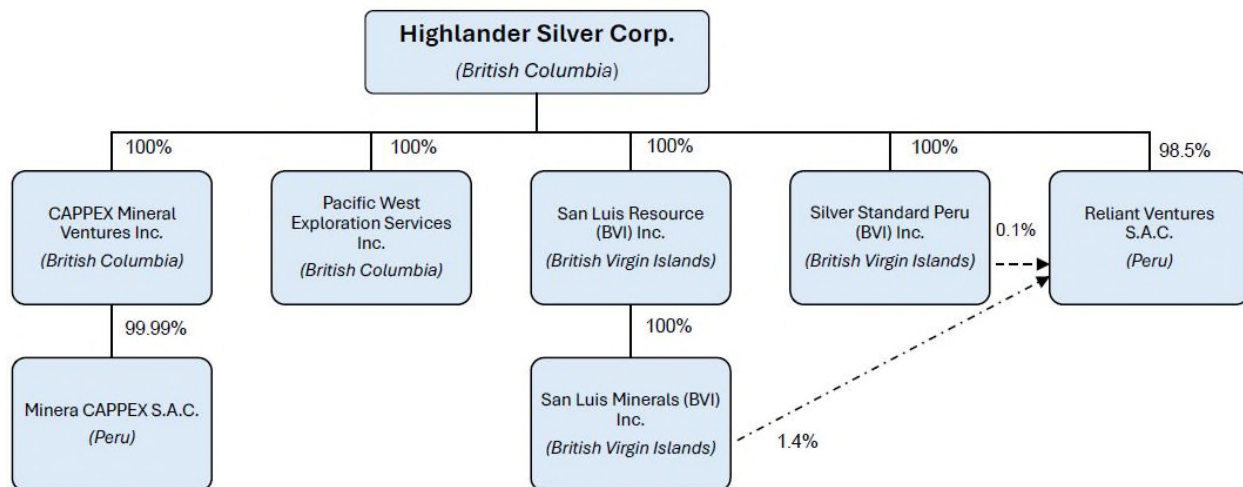
In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any template version of any "marketing materials" (as such term is defined in National Instrument 44-101 - *Short Form Prospectus Distributions*) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

Upon filing of a new annual information form and related annual consolidated financial statements with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, including all amendments thereto, the previous annual financial statements and all unaudited condensed consolidated interim financial statements (and related management's discussion and analysis in the interim reports for such periods), material change reports and management information circulars filed prior to the commencement of the fiscal year in which the new annual information form is filed, shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

SUMMARY DESCRIPTION OF BUSINESS

The Company was incorporated on October 19, 2016, under the *Business Corporations Act* (British Columbia) under the name “1093684 B.C. Ltd.” On March 28, 2018, it changed its name to “Blue Aqua Holdings Ltd.”, on December 14, 2018, it changed its name to “Commonwealth Cannabis Corp.”, on February 11, 2020, it changed its name to “Lido Minerals Ltd.”, and on August 12, 2021, in connection with its business combination with CAPPEX Mineral Ventures Inc., it changed its name to “Highlander Silver Corp.”

The following diagram illustrates the organizational structure of the Company, including its subsidiaries, as of the date of this Prospectus.



The Company is advancing a portfolio of silver exploration and development assets in the Americas, including the San Luis gold-silver project (the “**San Luis Project**”) that is located adjacent to the Pierina mine in Central Peru. The Company forms part of the Augusta Group of Companies, which maintains a track record of value creation totaling over \$4.5B in exit transactions, and supported by strategic shareholders, the Lundin Family and Eric Sprott.

For additional information with respect to the Company’s business, operations and financial condition, refer to the Annual Information Form and the Annual MD&A, available on SEDAR+ at www.sedarplus.ca.

CONSOLIDATED CAPITALIZATION

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of the Securities pursuant to such Prospectus Supplement.

Except for the issuance of 23,000,000 Common Shares issued pursuant to the March Private Placement, there has not been any material change in the share and loan capital of the Company, on a consolidated basis, since December 31, 2024, being the date of the Interim Financial Statements.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in a Prospectus Supplement relating to a specific issuance of Securities. This information will include the net proceeds to the Company from the sale of the Securities, the use of those proceeds and the specific business objectives that the Company expects to accomplish with those proceeds. As of the date of this Prospectus, the Company expects net proceeds from the sale of the Securities to be used towards the exploration of the San Luis Project and general corporate purposes, including funding potential future acquisitions, capital expenditures, and debt repayment. More detailed information regarding the use of proceeds from any sale of the Securities will be included in the applicable Prospectus Supplement.

Although the Company regularly engages in discussions with potential counterparties with respect to potential transactions, as of the date of this Prospectus, the Company does not have any planned acquisitions that would meet the definition of a “probable” acquisition pursuant to 10.2(2) of Form 44-101F1.

All expenses relating to an offering of the Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Company’s general funds, unless otherwise stated in the applicable Prospectus Supplement.

The Company has not, to date, generated positive cash flow from operating activities. The Company had negative operating cash flow for the year ended September 30, 2024. The Company cannot guarantee it will generate positive cash flow from operating activities in future periods. To the extent that the Company has negative cash flow in any future period, the Company may need to deploy a portion of its existing working capital to fund such negative cash flows. The Company expects that the current working capital will be sufficient to fund current operations and capital requirements for the next 12 months. The Company’s expectations regarding sufficient financial resources to fund the Company’s planned operations and cash requirements for at least 12 months following the date of this Prospectus is based on expectations and assumptions that reflect management’s intended courses of action for the Company and current expectations for the period covered, given management’s judgment as to the most probable set of conditions. These expectations and assumptions, although considered reasonable by management at the date of this Prospectus, may prove to be incorrect and may not materialize as expected. Subsequent to the date of this Prospectus, events and circumstances may occur that were unanticipated or that otherwise impact actual results. Accordingly, there is a significant risk that actual results achieved for this 12 month period will vary from the expected results and that such variations may be material. There is no representation that actual results achieved during this period will be the same in whole or in part as those that are currently expected. Important factors that could cause actual results to vary materially from the anticipated results. See “*Risk Factors*”.

RISK FACTORS

An investment in any of the Securities is speculative and involves a high degree of risk due to the nature of the Company’s business and the present stage of exploration of its mineral properties. The following risk factors, as well as risks currently unknown to the Company, could materially and adversely affect its future business, operations and financial condition and cause them to differ materially from the estimates described in forward-looking statements relating to the Company, or its business, property or financial results, each of which could cause purchasers of Securities to lose all or part of their investment. The risks set out below do not comprise a definitive list of all risk factors related to the Company’s business and

operations. Before deciding to invest in any of the Securities, investors should consider carefully the risk factors set out below, those contained in the section entitled “*Cautionary Note Regarding Forward-Looking Statements*” above, those contained in the documents incorporated by reference in this Prospectus and any Prospectus Supplement, including those described in the Company’s annual and interim financial statements, the related notes thereto and the corresponding annual and interim management’s discussion and analysis and the Annual Information Form.

Risks Related to an Offering of Securities

An Investment in the Securities is Speculative

An investment in the Securities and the Company’s prospects generally, are speculative due to the risky nature of its business and the present state of its development. Investors may lose their entire investment and should carefully consider the risk factors described below and under the heading “*Risk Factors*” in the Annual Information Form.

Discretion in the Use of Proceeds

While detailed information regarding the use of proceeds from the sale of the Securities will be described in the applicable Prospectus Supplement, the Company will have broad discretion over the use of net proceeds from an offering by the Company of the Securities. There may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. In such circumstances the net proceeds will be reallocated at the Company’s sole discretion.

Management will have discretion concerning the use of proceeds described in the applicable Prospectus Supplement as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds. Management may use the net proceeds described in a Prospectus Supplement in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company’s results of operations may suffer.

Additional Financing

The continued development of the Company may require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company intends to fund its business objectives by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by new equity Securities, existing shareholders could suffer significant dilution, and any new equity Securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. In addition, any debt financings may increase the Company’s debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions or the disposition of assets. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize upon security over the

assets of the Company, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company will require additional financing to fund its operations until positive cash flow is achieved.

Market for Securities

There is currently no market through which the Securities, other than the Common Shares, may be sold and, unless otherwise specified in the applicable Prospectus Supplement, such unlisted Securities may not be listed on any securities or stock exchange or any automated dealer quotation system. As a consequence, purchasers may not be able to resell such unlisted Securities purchased under this Prospectus and a Prospectus Supplement. This may affect the pricing of our Securities, other than our Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. There can be no assurance that an active trading market for our Securities, other than the Common Shares, will develop or, if developed, that any such market, including for the Common Shares, will be sustained.

Volatile Market Price of the Common Shares

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period; downward revision in securities analysts' estimates; adverse changes in general market conditions or economic trends; changes in the economic performance or market valuations of companies in the industry in which the Company operates; addition or departure of the Company's executive officers, directors and other key personnel and consultants; release or expiration of transfer restrictions on outstanding Common Shares; sales or perceived sales of additional shares; regulatory changes affecting the Company's industry generally and its business both domestically and abroad; announcements of developments and other material events by the Company or its competitors, fluctuations in the cost of vital production materials and services; changes in global financial markets, global economies, general market conditions, interest rates and volatility in the price of the Company's products which may be impacted by a variety of factors; fluctuations in the price of Common Shares that cause short sellers to enter the market; the sentiment of retail investors (including as may be expressed on financial trading and other social media sites); significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; operating and share price performance of other companies that purchasers deem comparable to the Company or from a lack of market comparable companies; or news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume

will not occur. If such increased levels of volatility and market uncertainty continue, the Company's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected.

Active Liquid Market for Common Shares

There may not be an active, liquid market for the Common Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the CSE, or any other stock exchange on which the Company may list the Common Shares in the future. Investors may not be able to sell their Common Shares quickly or at the latest market price if trading in the Common Shares is not active.

Risks Related to Dilution

The Company may issue additional Securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options issued under the Company's stock option plan, and upon the exercise of outstanding Common Share purchase warrants. Furthermore, the Company may complete additional corporate and property acquisitions pursuant to which it may issue Common Shares or other equity as partial or full consideration for such acquisitions.

Enforcement of Foreign Judgements

One of the Company's directors resides outside of Canada. Some or all of the assets of such person may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

Risks Related to the Company's Business

Ability to raise funding to continue exploration, development and mining activities

The Company does not generate operating cash flow from a producing mine and has incurred operating losses to date. The Company expects to incur operating losses in future periods due to continuing expenses associated with advancing its mineral projects, seeking new business opportunities, and general and administrative costs. The Company has relied on cash received from Common Share issuances to fund its business activities, including planned corporate expenditures and exploration expenses. The Company's ability to continue as a going concern is dependent upon the successful execution of its business plan and raising additional capital and/or evaluating strategic alternatives for its mineral property interests. The Company expects to continue to raise the necessary funds primarily through the issuance of Securities. While the Company has been successful in securing financing to date, there can be no assurances that future equity financing, debt facilities or strategic alternatives will be available on acceptable terms to the Company or at all, in which case the Company may need to reduce its longer-term exploration plans. These financing requirements will result in dilution of existing Company shareholders. Failure to obtain such financing may result in delay or indefinite postponement of the Company's activities.

Negative operating cash flow

The Company has negative operating cash flow and may continue to have negative operating cash flow in future periods. To the extent that the Company has negative operating cash flow, it will need to continue to deploy a portion of its cash reserves to fund such negative operating cash flow. The Company expects to continue to sustain losses in the future until it begins to generate revenue from the commercial production of its properties. There is no guarantee that the Company will ever have commercial production or be profitable.

Global economic conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase the cost of capital and may adversely affect the Company's operations.

The Company is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to obtain capital on terms favourable to it or at all. Increased market volatility may impact the Company's operations which could adversely affect the trading price of Common Shares.

No defined mineral reserves with no mineral properties in production or under development

The Company is an early exploration stage company, and its properties are in the exploration stage. Management has not defined or delineated any proven or probable mineral reserves on any of the Company's properties. Mineral exploration involves significant risk and few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Management cannot confirm the presence of any proven or probable mineral reserves at its projects. The failure to establish proven or probable mineral reserves could severely restrict the Company's ability to implement its strategies for long-term growth. In addition, the Company's only project with a mineral resource estimate is the San Luis Project.

Risks from international operations

Changes in political situations may affect the manner in which the Company operates. The Company's operations are conducted in Peru, which is exposed to various levels of economic, political, currency and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism, hostage taking, military repression, crime, violence, more prevalent or stronger organized crime groups, political instability, corruption, currency controls, extreme fluctuations in currency exchange rates, high rates of inflation, uncertainty of the rule of law and legal system, corruption of public officials and/or courts of law, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business. These countries have experienced political, social and economic

unrest in the past and protestors have from time to time targeted foreign mining companies and their mining operations. The occurrence of mining regime changes adds uncertainties that cannot be accurately predicted and any future material adverse changes in government policies or legislation in Peru that affect foreign ownership, mineral exploration, development or mining activities may affect the Company's viability.

Risk associated with an emerging and developing market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Community relations

Community relations are an important part of the Company's business. Developing and growing social license with the communities in which the Company operates is critical to continuing successful exploration and development. Community support for operations is a key component of a successful exploration or development project. As a business in the mining industry, the Company may come under pressure to demonstrate that other stakeholders benefit and will continue to benefit from our commercial activities. The Company may face opposition with respect to our current and future development and exploration projects which could materially adversely affect our business, results of operations, financial condition and share price. Furthermore, any inability of the Company to develop and grow its social license, or any deterioration in the Company's relationship with the local communities, could materially adversely affect our business, results of operations, financial condition and share price.

Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and follow procedures set out in applicable corporate and securities legislation, regulation, rules and policies, including, the relevant provisions of the *Business Corporations Act* (British Columbia).

Reliance on Limited Number of Properties

The Company's only material property is the San Luis Project. As a result, unless the Company acquires additional property interests, any adverse developments affecting the San Luis Project would likely have a materially adverse effect upon the Company and would adversely affect the potential mineral resource

development, profitability, financial performance and condition and results of the Company and its strategies and plans. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

Exploration Activities May Not be Successful

The exploration of mineral properties involves significant financial risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Significant capital expenditures may be required to establish mineral reserves by drilling, to complete a feasibility study and to construct mining and processing facilities at a site for extracting natural resource products. The Company cannot ensure that its future exploration programs will result in profitable commercial mining operations.

Substantial expenses may be incurred on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define mineral reserves that can be mined economically. Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. There have been no feasibility studies conducted in order to derive estimates of capital and operating costs including, among others, anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of mineralization, and anticipated environmental and regulatory compliance costs.

Climate change related risks

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires, and extreme storms. Such events could materially disrupt the Company's operations, particularly if they affect the Company's mineral projects, impact local infrastructure or threaten the health and safety of the Company's employees, contractors and/or local communities. The Company is focused on operating in a manner designed to minimize the environmental impacts of its activities; however, certain environmental impacts from mineral exploration and development activities may be unavoidable. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on the Company's financial condition or results of operations.

EARNINGS COVERAGE RATIOS

The applicable Prospectus Supplement will provide, as required, the earnings coverage ratios with respect to the issuance of the Securities pursuant to such Prospectus Supplement.

PRIOR SALES

Information in respect of the Securities that the Company issued within the previous 12 month period, including issuances of all securities convertible or exchangeable into Securities, will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the stock symbol "HSLV". Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement to this Prospectus.

DIVIDEND POLICY

All Common Shares are entitled to an equal share in the dividends declared and paid by the Company. There are no restrictions in the Company's articles which could prevent the Company from paying dividends as long as there are no reasonable grounds for believing that the Company is insolvent or the payment of dividends would render the Company insolvent.

The Company intends to retain all future earnings, if any, and other cash resources for the future operation and development of its business, and accordingly, does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of directors after taking into account many factors including the Company's operating results, financial condition and current and anticipated cash needs.

DESCRIPTION OF SHARE CAPITAL

Authorized Capital

The Company's authorized capital consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As of the date of this Prospectus, 104,870,985 Common Shares are issued and outstanding and no preferred shares are issued and outstanding.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company, and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Company may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The issued Common Shares are not subject to call or assessment by the Company nor are there any pre-emptive, conversion, exchange, redemption or retraction rights attaching to the Common Shares.

Stock Options

As of the date of this Prospectus, there are 7,045,000 incentive stock options granted and outstanding to purchase 7,045,000 Common Shares, at exercise prices ranging from \$0.42 to \$1.04, and expiring periodically through to January 2, 2030.

Warrants

As of the date of this Prospectus, there are 29,950,000 Warrants outstanding to purchase 29,950,000 Common Shares, at an exercise price of \$0.15 and expiring on October 19, 2026.

DESCRIPTION OF THE SECURITIES OFFERED UNDER THIS PROSPECTUS

The Company may offer Common Shares, Debt Securities, Warrants, Subscription Receipts or Units with a total value of up to \$200,000,000 from time to time under this Prospectus, together with any applicable Prospectus Supplement, at prices and on terms to be determined by market conditions at the time of offering. This Prospectus provides a general description of the Securities the Company may offer. Each time the Company offers any of the Securities, it will provide a Prospectus Supplement that will describe the specific amounts, prices and other important terms of the Securities, including, to the extent applicable:

- designation or classification;
- aggregate offering price;
- original issue discount, if any;
- rates and times of payment of dividends or interest, if any;
- redemption, conversion or exchange terms, if any;
- conversion or exchange prices, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices and in the Securities or other property receivable upon conversion or exchange;
- restrictive covenants, if any;
- voting or other rights, if any; and
- important Canadian federal income tax considerations.

A Prospectus Supplement may also add, update or change information contained in this Prospectus or in documents the Company has incorporated by reference. However, no Prospectus Supplement will offer a Security that is not described in this Prospectus.

Description of Common Shares

The Company may offer Common Shares, which the Company may issue independently or together with Debt Securities, Warrants or Subscription Receipts, and the Common Shares may be separate from or attached to such Securities as Units. All of the Common Shares have equal voting rights, and none of the Common Shares are subject to any further call or assessment. There are no special rights or restrictions of any nature attached to any of the Common Shares, and they all rank *pari passu* each with the other as to all benefits which might accrue to the holders of the Common Shares. The Common Shares are not convertible into shares of any other class and are not redeemable or retractable.

Description of Debt Securities

The Company may issue Debt Securities that will be direct secured or unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement. The senior Debt Securities will rank equal in right of payment to all other unsecured and unsubordinated indebtedness of the Company. The subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of the senior Debt Securities and all other senior indebtedness of the Company.

The Debt Securities will be issued in one or more series under one or more indentures between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”), as supplemented and amended from time to time (each a “**Trust Indenture**” and, collectively, the “**Trust Indentures**”). The applicable Prospectus Supplement will include details of the Trust Indenture governing the Debt Securities being offered. A copy of the Trust Indenture relating to an offering of Debt Securities will be filed by the Company with the relevant Commissions and will be made available electronically on SEDAR+ after it has been entered into by the Company. The statements made in this Prospectus relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Any Prospectus Supplement for Debt Securities will set forth the terms and other information with respect to the Debt Securities being offered thereby, which will include, where applicable:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable;
- the percentage of the principal amount at which such Debt Securities will be issued;
- whether the Debt Securities will be listed on any exchange;
- the date(s) on which such Debt Securities will mature;
- the rate(s) at which such Debt Securities will bear interest (if any), or the method of determination of such rate(s) (if any);
- the dates on which such interest will be payable and the record dates for such payments;
- the priority or subordination of the Debt Securities to other indebtedness of the Company;
- whether the Debt Securities will be secured by any of the Company’s assets or guaranteed by any other person;
- whether such Debt Securities may be converted into Common Shares or other Securities;
- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- the terms and conditions under which the Company may be obligated to redeem, repay or purchase the Debt Securities pursuant to any sinking fund or analogous provisions or otherwise;
- the terms and conditions upon which the Company may redeem the Debt Securities, in whole or in part, at the Company’s option;
- the covenants and events of default applicable to the Debt Securities;
- any exchange or conversion terms;
- any sinking or purchase fund provisions; and
- any other specific terms or conditions of the Debt Securities.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The terms on which a series of Debt Securities may be convertible into or exchangeable for Common Shares or other Securities will be described in the applicable Prospectus Supplement. These terms may include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at the option of the Company, and may include provisions pursuant to which the number of Common Shares or other Securities to be received by the holders of such series of Debt Securities would be subject to adjustment.

To the extent any Debt Securities are convertible into Common Shares or other Securities, prior to such conversion the holders of such Debt Securities will not have any of the rights of holders of the Securities into which the Debt Securities are convertible, including the right to receive payments of dividends or the right to vote such underlying Securities.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the Trust Indenture and the Debt Securities to be issued thereunder that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Trust Indenture and the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Trust Indenture and Debt Securities.

Description of Warrants

Warrants may be offered separately or together with other Securities, as the case may be. Each series of Warrants will be issued under a separate warrant indenture or agreement to be entered into between the Company and one or more banks, trust companies or other persons acting as warrant agent (the "**Warrant Agent**"). The applicable Prospectus Supplement will include details of the terms and conditions of the Warrants being offered. The Warrant Agent will act solely as the Company's agent and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants.

The particular terms of each issue of Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- whether the Warrants will be listed on any exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- the designation and terms of the Common Shares or other Securities purchasable upon exercise of the Warrants;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the number of Common Shares or other Securities that may be purchased from the Company upon exercise of each Warrant and the price at which and currency or currencies in which the Common Shares or other Securities may be purchased upon conversion of each Warrant;

- the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Warrants and the related Securities will be transferable separately;
- whether the Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian tax consequences of owning the Warrants; and
- any other material terms or conditions of the Warrants.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of Common Shares or other Securities issuable upon exercise of the Warrants.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the Warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Warrants.

Description of Subscription Receipts

The Company may issue Subscription Receipts, which will entitle holders to receive in exchange for such Subscription Receipts upon satisfaction of certain release conditions and for no additional consideration, Common Shares, Debt Securities, Warrants or Units or a combination thereof. Subscription Receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”) entered into between the Company and an escrow agent (the “**Escrow Agent**”), which will establish the terms and conditions of the Subscription Receipts. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof, and authorized to carry on business as a trustee. The Company will file on SEDAR+ a copy of any Subscription Receipt Agreement after the Company has entered into it.

The following description sets forth certain general terms and provisions of Subscription Receipts and is not intended to be complete. The statements made in this Prospectus relating to any Subscription Receipt Agreement and Subscription Receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement and the Prospectus Supplement describing such Subscription Receipt Agreement. The Company urges all investors to read the applicable Prospectus Supplement related to the particular Subscription Receipts that the Company sells under this Prospectus, as well as the complete Subscription Receipt Agreement.

The Prospectus Supplement and the Subscription Receipt Agreement for any Subscription Receipts the Company offers will describe the specific terms of the Subscription Receipts and may include, but are not limited to, any of the following:

- the designation and aggregate number of Subscription Receipts offered;
- the price at which the Subscription Receipts will be offered;
- the currency or currencies in which the Subscription Receipts will be offered;

- the designation, number and terms of the Common Shares, Debt Securities, Warrants or Units or combination thereof to be received by holders of Subscription Receipts in exchange for such Subscription Receipts upon satisfaction of the release conditions, and the procedures that will result in the adjustment of those numbers;
- the conditions (the “**Release Conditions**”) that must be met in order for holders of Subscription Receipts to receive in exchange for such Subscription Receipts for no additional consideration Common Shares, Debt Securities, Warrants or Units or a combination thereof;
- the procedures for the issuance and delivery of Common Shares, Debt Securities, Warrants or Units or a combination thereof to holders of Subscription Receipts in exchange for such Subscription Receipts upon satisfaction of the Release Conditions;
- the dates or periods during which the Subscription Receipts may be exchanged into Common Shares, Debt Securities, Warrants or Units or a combination thereof;
- whether any payments will be made to holders of Subscription Receipts upon delivery of the Common Shares, Debt Securities, Warrants or Units or a combination thereof in exchange for such Subscription Receipts upon satisfaction of the Release Conditions (e.g., an amount equal to dividends declared on Common Shares by the Company to holders of record during the period from the date of issuance of the Subscription Receipts to the date of issuance of any Common Shares pursuant to the terms of the Subscription Receipt Agreement);
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of Subscription Receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold Common Shares, Debt Securities, Warrants or Units or a combination thereof pending their exchange for Subscription Receipts upon satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commission in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of Subscription Receipts of all or a portion of the subscription price for their Subscription Receipts, plus any *pro rata* entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of Subscription Receipts in the event this Prospectus, the Prospectus Supplement under which Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms attaching to the Subscription Receipts;
- the identity of the Escrow Agent;
- whether the Subscription Receipts will be listed on any exchange;
- material Canadian federal tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts.

The holders of Subscription Receipts will not be shareholders of the Company. Holders of Subscription Receipts are entitled only to receive Common Shares, Debt Securities, Warrants or Units or a combination

thereof on exchange of their Subscription Receipts, plus any cash payments provided for under the Subscription Receipt Agreement, if the Release Conditions are satisfied. If the Release Conditions are not satisfied, the holders of Subscription Receipts shall be entitled to a refund of all or a portion of the subscription price therefor and all or a portion of the *pro rata* share of interest earned or income generated thereon, as provided in the Subscription Receipt Agreement.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the Subscription Receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Subscription Receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Subscription Receipts.

Description of Units

The Company may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The Unit agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms of each issue of Units will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Units offered;
- the price at which the Units will be offered;
- if other than Canadian dollars, the currency or currency unit in which the Units are denominated;
- whether the Units will be listed on any exchange;
- the terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- the number of Securities that comprise each Unit and, for income tax purposes, how the purchase price paid for the Units is to be allocated among such component Securities;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; and
- any other material terms, conditions and rights (or limitations on such rights) of the Units.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the Units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Units.

DENOMINATIONS, REGISTRATION AND TRANSFER

The Securities will be issued in fully registered form without coupons attached in either global or definitive form and in denominations and integral multiples as set out in the applicable Prospectus Supplement (unless otherwise provided with respect to a particular series of Debt Securities pursuant to the provisions of the applicable Trust Indenture). Other than in the case of book-entry only securities, the Securities may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) in the city specified for such purpose at the office of the registrar or transfer agent designated by the Company for such purpose with respect to any issue of the Securities referred to in the Prospectus Supplement. No service charge will be made for any transfer, conversion or exchange of the Securities, but we may require payment of a sum to cover any transfer tax or other governmental charge payable in connection therewith. Such transfer, conversion or exchange will be caused upon such registrar or transfer agent being satisfied with the documents of title and the identity of the person making the request. If a Prospectus Supplement refers to any registrar or transfer agent designated by the Company with respect to any issue of the Securities, we may at any time rescind the designation of any such registrar or transfer agent and appoint another in its place or approve any change in the location through which such registrar or transfer agent acts.

In the case of book-entry only Securities, a global certificate or certificates representing the Securities will be held by a designated depository for its participants. The Securities must be purchased or transferred through such participants, which includes securities brokers and dealers, banks and trust companies. The depository will establish and maintain book-entry accounts for its participants acting on behalf of holders of the Securities. The interests of such holders of Securities will be represented by entries in the records maintained by the participants. Holders of Securities issued in book-entry only form will not be entitled to receive a certificate or other instrument evidencing their ownership thereof, except in limited circumstances. Each holder will receive a customer confirmation of purchase from the participants from which the Securities are purchased in accordance with the practices and procedures of that participant.

PLAN OF DISTRIBUTION

The Company may sell the Securities to or through underwriters or dealers, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price or prices of the Securities and the proceeds to the Company from the sale of the Securities. Only those underwriters, dealers or agents named in a Prospectus Supplement will be the underwriters, dealers or agents in connection with the Securities offered thereby.

The Securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions deemed to be ATM Distributions, including sales made directly on the CSE or other existing markets for the Securities. Additionally, this Prospectus and any Prospectus Supplement may also cover the initial resale of the Securities purchased pursuant thereto. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be

decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

No underwriter, dealer or agent involved in an ATM Distribution, no affiliate of such underwriter, dealer or agent and no person acting jointly or in concert with such underwriter, dealer or agent has over-allotted, or will over allot, the Securities in connection with an ATM Distribution of Securities or effect any other transactions that are intended to stabilize the market price of Securities during an ATM Distribution. In connection with any offering of Securities, other than an ATM Distribution, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, there is no market through which Debt Securities, Warrants, Subscription Receipts or Units may be sold, and holders may not be able to resell any such Securities purchased under this Prospectus or any Prospectus Supplement. Unless otherwise specified in the applicable Prospectus Supplement, the Securities (excluding any Common Shares) will not be listed on any securities exchange. This may affect the pricing of such Securities on the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See “Risk Factors”.

In connection with the sale of the Securities, underwriters, dealers and agents may receive compensation from the Company or from purchasers of the Securities from whom they may act as agents in the form of discounts, concessions or commissions. Any such commissions will be paid out of the Company’s general funds. Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters, and any discounts or commissions received by them from the Company and any profit on the resale of the Securities by them may be deemed to be underwriting discounts and commissions under applicable securities legislation.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under the Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Those underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Unless otherwise specified in a Prospectus Supplement, the Securities have not been, and will not be, registered under the U.S. Securities Act, or any securities or “blue sky” laws of any of the states of the United States. Accordingly, the Securities may not be offered, sold or delivered, directly or indirectly, within the United States or to , or for the account or benefit of, any U.S. Persons , absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States. In addition, until 40 days after closing of an offering of the Securities, an offer or sale of the Securities within the United States by any dealer, whether or not participating in such offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Owning or holding any of the Securities may subject holders to tax consequences in Canada and elsewhere.

Although the applicable Prospectus Supplement may describe certain Canadian federal income tax consequences of the acquisition, ownership and disposition of any of the Securities offered under this Prospectus by an initial investor, the Prospectus Supplement may not describe these tax consequences fully. Each investor should consult their own tax advisor with respect to such investor's particular circumstances.

EXEMPTION FROM NATIONAL INSTRUMENT 44-101

Pursuant to a decision of the Autorité des marchés financiers ("**AMF**") dated March 13, 2025, the Company was granted exemptive relief from the requirement that this Prospectus as well as the documents incorporated by reference herein and any applicable Prospectus Supplement and the documents incorporated by reference therein to be filed in relation to an ATM Distribution be filed with the AMF in the French language. This exemptive relief is granted on the condition that this Prospectus, any applicable Prospectus Supplement and the documents incorporated by reference herein and therein be filed with the AMF in the French language if the Company offers Securities to Québec purchasers in connection with an offering other than in relation to an ATM Distribution.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**"), of #1200 – 609 Granville Street, Vancouver, British Columbia.

The Company's registrar and transfer agent for its Common Shares is Endeavor Trust Corporation located at 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

INTEREST OF EXPERTS

The following are the names of each person or company who has prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company (collectively, the "**Experts**"):

Name of Individual or Company	Report, Valuation, Statement or Opinion
Davidson & Company LLP	Audited consolidated financial statements of the Company for the years ended September 30, 2024 and 2023 together with the auditors' report thereon.
Martinez Rodriguez Y Asociados	Audited financial statements of Reliant Ventures S.A.C. as of December 31, 2023 and 2022, together with the auditors' report thereon included in the Business Acquisition Report.

Name of Individual or Company	Report, Valuation, Statement or Opinion
Martin Mount, MSc MCSM FGS CGeol FIMMM CEng	Prepared or approved scientific and technical information referenced in a filing made by the Company under National Instrument 51-102 — <i>Continuous Disclosure Obligations</i> incorporated by reference in this Prospectus.
Graeme Lyall (FAusIMM)	Prepared or approved scientific and technical information referenced in a filing made by the Company under National Instrument 51-102 — <i>Continuous Disclosure Obligations</i> incorporated by reference in this Prospectus.
Sergio Gelcich, VP Exploration of the Company	Prepared or approved scientific and technical information referenced in a filing made by the Company under National Instrument 51-102 — <i>Continuous Disclosure Obligations</i> incorporated by reference in this Prospectus.

To the knowledge of the Company, neither Martin Mount nor Martinez Rodriguez Y Asociados nor their respective associates or affiliates held, as of the date of the applicable report, valuation, statement or opinion referred to in the table above, currently hold or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company. To the knowledge of the Company, each of Mr. Lyall's and Mr. Gelcich's interest in Common Shares is less than one per cent of the Company's outstanding Common Shares.

Davidson, as auditors of the Company, report that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES

The following persons reside outside of Canada or, in the case of companies, are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and each has appointed an agent listed below, if applicable, for service of process in Canada:

Name of Person	Name and Address of Agent
Javier Toro <i>Director</i>	Highlander Silver Corp. 2500 – 100 King Street West, Toronto, Ontario, Canada
Martin Mount <i>Qualified person</i>	Highlander Silver Corp. 2500 – 100 King Street West, Toronto, Ontario, Canada
Martinez Rodriguez Y Asociados <i>Auditor of financial statements of Reliant Ventures S.A.C.</i>	Highlander Silver Corp. 2500 – 100 King Street West, Toronto, Ontario, Canada

Name of Person	Name and Address of Agent
Graeme Lyall <i>Qualified person</i>	Highlander Silver Corp. 2500 – 100 King Street West, Toronto, Ontario, Canada

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

ADDITIONAL INFORMATION

Any public document that the Company has filed with the Canadian securities regulatory authorities is available online at www.sedarplus.ca.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights with respect to a purchase of Securities under this Prospectus.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if this Prospectus, the relevant Prospectus Supplement or an amendment thereto relating to Securities purchased by a purchaser are not sent or delivered to the purchaser. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. However, purchasers of Securities distributed under an at-the-market distribution do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of this Prospectus, the relevant Prospectus Supplement or an amendment thereto relating to the securities purchased by such purchaser because this Prospectus, the relevant Prospectus Supplement or an amendment thereto relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI 44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if this Prospectus, the relevant Prospectus Supplement or an amendment thereto relating to Securities purchased by a purchaser contains a misrepresentation or is not delivered to the purchaser. Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Securities distributed under an at-the-market distribution may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if this Prospectus, the relevant Prospectus Supplement or an amendment thereto relating to Securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

Original purchasers of Securities under this Prospectus (as supplemented or amended) that are convertible, exchangeable or exercisable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such

Securities. The contractual right of rescission will entitle such original purchasers to receive, in addition to the original amount paid for such Securities, the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of Units, Warrants, Debt Securities or Subscription Receipts, to the extent such securities are convertible, exchangeable or exercisable securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories of Canada, if the purchaser pays additional amounts upon conversion, exchange or exercise, as applicable, of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories of Canada.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights and should consult with a legal advisor.

CERTIFICATE OF HIGHLANDER SILVER CORP.

Dated: March 14, 2025

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

"Daniel Earle"

DANIEL EARLE
President and Chief Executive Officer

"Sunny Lowe"

SUNNY LOWE
Chief Financial Officer

On behalf of the Board of Directors

"Richard Warke"

RICHARD WARKE
Director

"Thomas Whelan"

THOMAS WHELAN
Director