

No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise. This prospectus supplement (the “**Prospectus Supplement**”), together with the accompanying short form base shelf prospectus dated April 10, 2025 (the “**Base Shelf Prospectus**” and, as supplemented by this Prospectus Supplement, the “**Prospectus**”) to which it relates, as amended or supplemented, and each document incorporated by reference into this Prospectus Supplement and the 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 Prospectus Supplement 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.

PROSPECTUS SUPPLEMENT To the Short Form Base Shelf Prospectus dated April 10, 2025

New Issue

April 10, 2025



HIGHLANDER SILVER CORP.

Up to \$25,000,000

Common Shares

This Prospectus Supplement of Highlander Silver Corp. (“**Highlander**” or the “**Company**”), together with the accompanying Base Shelf Prospectus, qualifies the distribution (the “**Offering**”) of common shares of the Company (“**Common Shares**”) having an aggregate sale price of up to \$25,000,000 (the “**Offered Shares**”).

The issued and outstanding Common Shares are listed on the Canadian Securities Exchange (the “**CSE**”) under the stock symbol “HSLV”. On April 9, 2025, being the last complete trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the CSE was \$1.96. The Company has given notice to the CSE to list the Offered Shares offered by this Prospectus Supplement on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

The Company has received conditional approval of the Toronto Stock Exchange (the “**TSX**”) for the listing of its Common Shares under the stock symbol “HSLV”. The Company will apply to list the Offered Shares on the TSX. The TSX has not conditionally approved the listing application for the Offered Shares, and there is no assurance that the TSX will approve such listing application. Listing of the Common Shares (including the Offered Shares) will be subject to the Company fulfilling all of the listing requirements of

the TSX. Subject to the final approval of the TSX for the listing of the Common Shares, the Company intends to apply to delist the Common Shares from the CSE.

The Company has entered into an equity distribution agreement (the “**Equity Distribution Agreement**”) dated April 10, 2025 with BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Haywood Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Stifel Nicolaus Canada Inc., TD Securities Inc. and Ventum Financial Corp. (collectively, the “**Agents**”) pursuant to which the Company may distribute Offered Shares in the Offering from time to time through the Agents, as agents, in accordance with the terms of the Equity Distribution Agreement.

Sales of Offered Shares, if any, under this Prospectus Supplement will be made in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – *Shelf Distributions* (“**NI 44-102**”), including sales made directly on the CSE, the TSX or on any other “marketplace” (as such term is defined in National Instrument 21-101 – *Marketplace Operations* (“**NI 21-101**”)) upon which the Common Shares are listed or quoted or where the Common Shares are traded in Canada. The Offered Shares will be distributed at the market prices prevailing at the time of the sale. As a result, prices at which Offered Shares are sold in the Offering may vary as between purchasers and during the period of any distribution. The Agents are not required to sell any specific number or dollar amount of Offered Shares but will use their commercially reasonable efforts, consistent with their normal sales and trading practices, to sell the Offered Shares under the terms and conditions of the Equity Distribution Agreement. **There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may terminate after only raising a portion of the Offering amount set out above, or none at all. See “Plan of Distribution”.**

Neither the Agents, nor any person or company acting jointly or in concert with the Agents, may, in connection with the Offering, enter into any transaction that is intended to stabilize or maintain the market price of the Offered Shares or securities of the same class as the Offered Shares, including selling an aggregate number or principal amount of securities that would result in the Agents creating an over-allocation position in the Offered Shares.

An investment in the Offered Shares involves a high degree of risk. Investors or prospective investors should carefully read the “Risk Factors” of this Prospectus Supplement, the accompanying Base Shelf Prospectus and the documents incorporated by reference herein and therein as well as the information under the heading “Cautionary Note Regarding Forward-Looking Statements”.

Prospective investors should be aware that the acquisition of Offered Shares may have tax consequences. You should read the tax discussion in this Prospectus Supplement and consult your own tax advisor with respect to your own particular circumstances.

The Company will pay the Agents a placement fee of 2.0% of the gross sales price per Offered Share sold through the Agents as the Company’s agents under the Equity Distribution Agreement (the “**Placement Fee**”). In addition, the Company has agreed to reimburse the Agents for certain expenses in connection with the Equity Distribution Agreement.

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.

Certain directors and officers of the Company and certain persons for whom the Company is required to file a consent in connection with the Prospectus, 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”*.

Prospective investors should rely only on the information contained in or incorporated by reference into this Prospectus Supplement and the accompanying Base Shelf Prospectus. Neither the Company nor the Agents have authorized anyone to provide prospective investors with different or additional information. Information contained on the Company’s website shall not be deemed to be a part of this Prospectus Supplement or the accompanying Base Shelf Prospectus or incorporated by reference herein or therein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Offered Shares. Neither the Company nor the Agents are making an offer of the Offered Shares in any jurisdiction where such offer is not permitted. A prospective investor should assume that the information appearing in this Prospectus Supplement or the accompanying Base Shelf Prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference herein or therein is accurate only as of the date of that document unless specified otherwise. The Company’s business, financial condition, results of operations and prospects may have changed since the date of this Prospectus Supplement.

Unless stated otherwise or the context otherwise requires, all currency presentation and references to dollar amounts in this Prospectus Supplement are references to Canadian dollars.

TABLE OF CONTENTS

Prospectus Supplement

ABOUT THIS PROSPECTUS SUPPLEMENT.....	S-2
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	S-2
DOCUMENTS INCORPORATED BY REFERENCE	S-4
SUMMARY DESCRIPTION OF BUSINESS	S-6
CONSOLIDATED CAPITALIZATION	S-7
USE OF PROCEEDS.....	S-7
RISK FACTORS.....	S-8
PRIOR SALES.....	S-11
TRADING PRICE AND VOLUME.....	S-12
DESCRIPTION OF SHARE CAPITAL	S-13
PLAN OF DISTRIBUTION	S-13
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	S-15
ELIGIBILITY FOR INVESTMENT.....	S-19
EXEMPTION FROM NATIONAL INSTRUMENT 44-101	S-20
LEGAL MATTERS.....	S-20
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	S-20
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES	S-21
ADDITIONAL INFORMATION	S-21
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	S-21
CERTIFICATE OF HIGHLANDER SILVER CORP.....	C-1
CERTIFICATE OF THE AGENTS	C-2

TABLE OF CONTENTS

Base Shelf Prospectus

ABOUT THIS PROSPECTUS.....	2
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	2
DOCUMENTS INCORPORATED BY REFERENCE	4
SUMMARY DESCRIPTION OF BUSINESS	6
CONSOLIDATED CAPITALIZATION	7
USE OF PROCEEDS.....	7
RISK FACTORS.....	8
EARNINGS COVERAGE RATIOS	14
PRIOR SALES.....	15
TRADING PRICE AND VOLUME.....	15
DIVIDEND POLICY	15
DESCRIPTION OF SHARE CAPITAL	15
DESCRIPTION OF THE SECURITIES OFFERED UNDER THIS PROSPECTUS	16
DENOMINATIONS, REGISTRATION AND TRANSFER.....	22
PLAN OF DISTRIBUTION	22
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	24
EXEMPTION FROM NATIONAL INSTRUMENT 44-101	24
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	24
INTEREST OF EXPERTS.....	24
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES	25
ADDITIONAL INFORMATION	26
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	26
CERTIFICATE OF HIGHLANDER SILVER CORP.....	C-1

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this Prospectus Supplement, which describes the terms of the Offered Shares and also adds to and updates certain information contained in the Base Shelf Prospectus and the documents incorporated by reference herein and therein. The second part, the Base Shelf Prospectus, gives more general information, some of which may not apply to the Offered Shares offered hereunder. This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purposes of the Offering constituted by this Prospectus Supplement. Other documents are also incorporated, or are deemed to be incorporated by reference, into the Base Shelf Prospectus and reference should be made to the Base Shelf Prospectus for full particulars thereof.

You should rely only on the information contained in or incorporated by reference into this Prospectus Supplement and the Base Shelf Prospectus. The Company has not authorized anyone to provide you with different information. Neither the Company nor the Agents are making an offer of the Offered Shares in any jurisdiction where the offer is not permitted. An investor should assume that the information appearing in this Prospectus Supplement or the accompanying Base Shelf Prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference herein or therein is accurate only as of the date of that document unless specified otherwise. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

The Company's financial statements that are incorporated by reference into this 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 Supplement and the Base Shelf Prospectus, including the documents incorporated by reference herein and therein, 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 Supplement include, but are not limited to, the Company's anticipated offering of Offered Shares under the Offering on the terms and conditions described herein; the listing of the Common Shares on the TSX and the de-listing of

the Common Shares from the CSE; the fulfilment of all of the listing requirements of the CSE and the TSX, as applicable; the payment by the Company of the Placement Fee and the Agents' expenses; 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 Offered Shares will be used towards the exploration of the San Luis Project (as defined below), working capital and general corporate purposes; the expectation that the net proceeds of the Offering and the Company's current liquidity will be sufficient to accomplish the main business objectives of the Company; the expectation that the current working capital will be sufficient to fund current operations and capital requirements for the next 12 months; and the expectation of negative cash flow in any future period.

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; receipt of necessary approvals; 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 the full amount under the Offering; 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 Supplement. 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 Base Shelf Prospectus, 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

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Base Shelf Prospectus solely for the purposes of the Offering. Other documents are also incorporated, or are deemed to be incorporated by reference, into the accompanying Base Shelf Prospectus and reference should be made to the accompanying Base Shelf Prospectus for full particulars thereof.

Information has been incorporated by reference in this Prospectus Supplement and the accompanying Base Shelf 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 by reference herein and therein 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 Data Analysis and Retrieval + ("**SEDAR+**") at www.sedarplus.ca. The Company's filings through SEDAR+ are not incorporated by reference into this Prospectus Supplement and the accompanying Base Shelf 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 Supplement and the accompanying Base Shelf 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;

- (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 completed on March 11, 2025.

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus* ("**Form 44-101F1**") filed by the Company with a Commission subsequent to the date of this Prospectus Supplement, or the completion of the issuance of Offered Shares pursuant hereto, will be deemed to be incorporated by reference into this Prospectus Supplement and the accompanying Base Shelf Prospectus.

If the Company disseminates a news release in respect of previously undisclosed information that, in the Company's determination, constitutes a "material fact" (as such term is defined under applicable Canadian securities laws), the Company will identify such news release as a "designated news release" for the purposes of this Prospectus Supplement and the accompanying Base Shelf Prospectus in writing on the face page of the version of such news release that the Company files on SEDAR+ at www.sedarplus.ca (each such news release, a "**Designated News Release**"), and each such Designated News Release shall be deemed to be incorporated by reference into this Prospectus Supplement and the accompanying Base Shelf Prospectus for the purposes of the Offering.

Any statement contained in this Prospectus Supplement, in the accompanying Base Shelf 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 Supplement 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. Without limiting the foregoing, each document incorporated by reference into the Base Shelf Prospectus prior to the date hereof shall be deemed to have been superseded in its entirety unless such document is also listed above as being incorporated by reference into this 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 Supplement, 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),

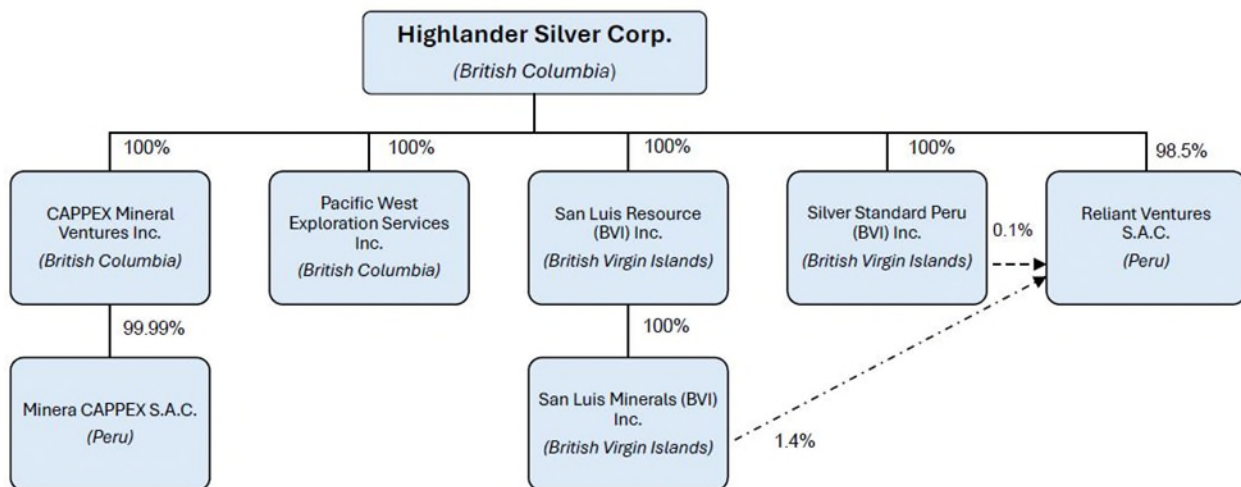
material change reports and management information circulars filed prior to the commencement of the fiscal year in which the new annual information form is filed, shall be deemed no longer to be incorporated into this Prospectus Supplement for purposes of future offers and sales of Offered Shares hereunder. In addition, upon the filing by us of a new management information circular for an annual meeting of shareholders with the applicable Canadian securities commissions or similar regulatory authorities during the period that this Prospectus Supplement is effective, the previous management information circular filed in respect of the prior annual meeting of shareholders shall no longer be deemed to be incorporated into this Prospectus Supplement for purposes of future offers and sales of Offered Shares under this Prospectus Supplement.

Information contained on the Company's website www.highlandersilver.com, is not part of this Prospectus Supplement, is not incorporated herein by reference and may not be relied upon by investors in connection with an investment in the Offered Shares.

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 Supplement.



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's significant shareholders include the Augusta Group, which boasts an exceptional track record of value creation totaling over \$4.5 Billion in exit transactions, and 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 Base Shelf Prospectus, the Annual Information Form and the Annual MD&A, available on SEDAR+ at www.sedarplus.ca.

CONSOLIDATED CAPITALIZATION

Other than as disclosed below under "*Prior Sales*", there have been no material changes in the consolidated capitalization of the Company since the date of the Interim Financial Statements.

As a result of the Offering, the shareholders' equity of the Company will increase by the amount of the net proceeds of the Offering, if any, and the number of issued and outstanding Common Shares will increase by the number of Offered Shares distributed under the Offering, if any.

USE OF PROCEEDS

The net proceeds from the Offering, if any, are not determinable in light of the nature of the distribution. Sales of Offered Shares, if any, will be made in transactions that are deemed to be "at-the-market distributions" as defined in NI 44-102, including sales made directly on the CSE, the TSX or on any other "marketplace" (as such term is defined in NI 21-101) upon which the Common Shares are listed or quoted or where the Common Shares are traded in Canada. The net proceeds of any given distribution of Offered Shares through the Agents in an "at-the-market distribution" will represent the gross proceeds after deducting the applicable compensation payable to the Agents under the Equity Distribution Agreement and the expenses of the distribution. See "*Plan of Distribution*". The gross proceeds of the Offering will be up to \$25,000,000. There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may terminate after raising only a portion of the offering amount set out above, or none at all. This means the Offering may terminate after raising only a portion of the Offering amount set out above, or none at all. See "*Plan of Distribution*".

The Company currently expects to use the net proceeds from the Offering for exploration of the San Luis Project, working capital and general corporate purposes.

The main business objectives the Company intends to accomplish using the net proceeds of the Offering, together with the Company's current liquidity sources, are to surface the resource potential of the San Luis Project through exploration and undertake environmental studies to support future technical studies, permitting and evaluations of economic potential for development.

Although the Company intends to use the net proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary from those allocations set out above, depending on the amount of proceeds raised, the time periods in which the proceeds are raised, future developments in relation to the financing and advancement of the San Luis Project or other projects or unforeseen events, including those listed under "*Risk Factors*" of this Prospectus Supplement, the Base Shelf Prospectus and the Annual Information Form and the Annual MD&A. Potential investors are cautioned that notwithstanding the Company's current intentions regarding the use of the net proceeds of the Offering, there may be circumstances where a reallocation of the net proceeds may be advisable for reasons that management believes, in its discretion, are in the Company's best interests.

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, together with the net proceeds from the Offering, if any, 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 Supplement 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 Supplement, may prove to be incorrect and may not materialize as expected. Subsequent to the date of this Prospectus Supplement, 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 the Offered Shares 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 Offered Shares 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 Offered Shares, 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 Base Shelf Prospectus and in the documents incorporated by reference in this Prospectus Supplement and the Base Shelf Prospectus, 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 the Offering and the Offered Shares

No certainty regarding the net proceeds to the Company

There is no certainty that any Offered Shares will be sold under the Offering or that the full offering amount of \$25,000,000 will be raised under the Offering. The Agents have agreed to use their commercially reasonable efforts to sell, on the Company's behalf, the Offered Shares designated by the Company, but the Company is not required to request the sale of the maximum amount offered or any amount and, if the Company requests a sale, the Agents are not obligated to purchase any Offered Shares that are not sold. As a result of the Offering being made with no minimum amount and only as requested by the Company, the Company may raise substantially less than the maximum total offering amount or nothing at all.

Discretion in the Use of Proceeds

While detailed information regarding the use of proceeds from the sale of the Offered Shares are described in this Prospectus Supplement, the Company will have broad discretion over the use of net proceeds from an offering by the Company of the Offered Shares. 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 this 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 as described in this 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.

The Offered Shares will be sold in "at-the-market" offerings, and investors who buy Offered Shares at different times will likely pay different prices

Investors who purchase Offered Shares in this Offering at different times will likely pay different prices, and so may experience different outcomes in their investment results. The Company will have discretion, subject to market demand, to vary the timing, prices, and numbers of Offered Shares sold, and there is no minimum or maximum sale price. Investors may experience a decline in the value of their Offered Shares as a result of share sales made at prices lower than the prices they paid.

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.

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, the TSX 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.

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.

PRIOR SALES

The following tables set forth the date, number and prices at which the Company has issued Common Shares and securities that are convertible into Common Shares in the 12-month period prior to the date hereof:

Common Shares

Date of Issuance	Price per Common Share (\$)	Number of Common Shares	Reason for Issuance
March 12, 2025	\$0.54	15,000	Exercise of Stock Options
March 12, 2025	\$0.60	85,000	Exercise of Stock Options
March 12, 2025	\$0.55	50,000	Exercise of Stock Options
March 11, 2025	\$1.40	23,000,000	Private Placement
October 18, 2024	\$0.79	474,365	Cashless Exercise of Stock Options
October 8, 2024	\$0.15	25,000	Exercise of Warrants
August 8, 2024	\$0.85	75,000	Issued as performance shares to the former CEO
August 8, 2024	\$0.85	146,923	Issued in consideration for cancellation of Stock Options
May 21, 2024	\$0.15	25,000	Exercise of Warrants
May 8, 2024	\$0.45	20,514,222	Private Placement

Stock Options

Date of Issuance	Number	Exercise Price per security	Expiration
April 7, 2025	50,000	\$1.90	April 7, 2030
January 2, 2025	1,600,000	\$1.04	January 2, 2030
October 21, 2024	4,370,000	\$0.80	October 21, 2029
September 20, 2024	100,000	\$0.78	September 20, 2027

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the stock symbol "HSLV". The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the CSE:

Month	High (\$)	Low (\$)	Volume
April 1-9, 2025	1.99	1.87	732,151
March 2025	1.99	1.61	1,543,728
February 2025	1.89	1.24	833,121
January 2025	1.40	1.00	752,868
December 2024	1.09	0.93	276,052
November 2024	1.17	0.88	1,127,050
October 2024	1.15	0.60	1,599,521
September 2024	0.83	0.58	468,280
August 2024	0.78	0.51	366,274
July 2024	0.89	0.66	328,926
June 2024	0.92	0.73	425,220
May 2024	0.99	0.61	1,210,022
April 2024	0.70	0.45	864,483
March 2024	0.51	0.37	203,200

On April 9, 2025, the last trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the CSE was \$1.96.

The Company has received conditional approval of the TSX for the listing of its Common Shares under the stock symbol "HSLV". The Company will apply to list the Offered Shares on the TSX. Listing of the Common Shares will be subject to the Company fulfilling all of the listing requirements of the TSX. Subject to the final approval of the TSX for the listing of the Common Shares, the Company intends to apply to delist the Common Shares from the CSE.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares, of which 104,870,985 Common Shares are issued and outstanding as of April 10, 2025. For a summary of certain material attributes and characteristics of the Common Shares, see "*Description of Share Capital*" in the Base Shelf Prospectus.

PLAN OF DISTRIBUTION

In accordance with the terms of the Equity Distribution Agreement, and except as noted herein, the Company may distribute up to \$25,000,000 of Offered Shares from time to time through the Agents, as agents for the Offering.

Sales of Offered Shares, if any, will be made in transactions that are deemed to be "at-the-market distributions" as defined in NI 44-102, including sales made by the Agents directly on the CSE, the TSX or any "marketplace" (as such term is defined in NI 21-101) upon which the Common Shares are listed or quoted or where the Common Shares are traded in Canada. Subject to the pricing parameters in a placement notice, the Offered Shares will be distributed at the market prices prevailing at the time of the sale. As a result, prices may vary as between purchasers and during the period of distribution. The Company cannot predict the number of Offered Shares that it may sell under the Equity Distribution Agreement on the CSE, the TSX or any other trading market for the Common Shares in Canada, or if any Offered Shares will be sold. It is expected that the completion of the Offering would constitute a material fact or material change of the Company.

The Agents will offer the Offered Shares subject to the terms and conditions of the Equity Distribution Agreement from time to time as agreed upon by the Company and the Agents. The Company will designate the maximum amount or value of Offered Shares, along with the minimum price per Offered Share, to be sold pursuant to any single placement instruction to an Agent, determined in the sole discretion of the Company. Subject to the terms and conditions of the Equity Distribution Agreement, the applicable Agent will, severally and not jointly, use its commercially reasonable efforts to sell on the Company's behalf all of the Offered Shares requested to be sold by the Company, consistent with their normal sales and trading practices.

Either the Company or the applicable Agent may suspend the Offering of the Offered Shares being made through the Agents under the Equity Distribution Agreement upon proper notice to the other party, provided that such suspension or termination shall not affect or impair the parties' respective obligations with respect to the Offered Shares sold under the Equity Distribution Agreement prior to the giving of such notice. The Company has the right, by giving three days' prior written notice as specified in the Equity Distribution Agreement, to terminate the Equity Distribution Agreement in its sole discretion at any time.

Each of the Agents has the right, by giving three days' prior written notice as specified in the Equity Distribution Agreement, to terminate the Equity Distribution Agreement in its sole discretion with respect to itself, but not with respect to any other Agent, at any time.

Under the Equity Distribution Agreement, the Agents may, but do not have any obligation to, purchase as principal for its own account any Offered Shares that the Company proposes to sell pursuant to any placement notice delivered by the Company to the Agents.

The Company will pay the applicable Agents the Placement Fee for their services in acting as agent in connection with the sale of Offered Shares pursuant to the Equity Distribution Agreement. The amount of the Placement Fee shall equal 2.0% of the gross sales proceeds from Offered Shares sold. The allocation of the Placement Fee between one or more Agents for each sale of Offered Shares will be determined by the Company. The sales proceeds remaining after payment of the Placement Fee and after deducting any expenses payable by the Company and any transaction or filing fees imposed by any governmental, regulatory, or self-regulatory organization in connection with the sales, will equal the net proceeds to the Company from the sale of such Offered Shares.

The Agents will provide written confirmation to the Company no later than the opening of trading on the trading day immediately following the trading day on which it has made sales of the Offered Shares under the Equity Distribution Agreement. Each confirmation will include the number of Offered Shares sold on such day, the average price of the Offered Shares sold on such day, the gross proceeds, the Placement Fee payable by the Company to the Agents with respect to such sales and the net proceeds payable to the Company.

The Company will also disclose the number and average price of Offered Shares sold under this Prospectus Supplement, as well as gross proceeds, commissions and net proceeds, in its annual and interim financial statements and management's discussion and analysis filed on SEDAR+, for any financial periods in which sales of Offered Shares occur.

Settlement for sales of Offered Shares will occur, unless the parties agree otherwise, on the first trading day on the applicable exchange following the date on which any sales were made in return for payment of the net proceeds to the Company. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of Offered Shares in Canada will be settled through the facilities of CDS Clearing and Depository Services Inc. or by such other means as the Company and the Agents may agree.

The Agents will only sell Offered Shares on marketplaces in Canada.

In connection with the sales of the Offered Shares on the Company's behalf, the Agents may be deemed to be an "underwriter" within the meaning of the applicable securities legislation, and the Placement Fee paid to the Agents may be deemed to be underwriting commissions or discounts. The Company has agreed in the Equity Distribution Agreement to provide indemnification and contribution to the Agents against certain liabilities, including liabilities under the applicable securities legislation. In addition, the Company has agreed to pay certain reasonable out-of-pocket fees, disbursements and other charges of the Agents incurred in connection with the Offering, pursuant to the terms of the Equity Distribution Agreement. Neither the Agents, nor any person or company acting jointly or in concert with the Agents, may, in connection with the Offering, enter into any transaction that is intended to stabilize or maintain the market price of the Offered Shares or securities of the same class as the Offered Shares, including

selling an aggregate number or principal amount of securities that would result in the Agents creating an over-allocation position in the Common Shares.

The Offered Shares offered hereby have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States, or to a U.S. Person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This Prospectus Supplement 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, or for the account or benefit of, any U.S. Person.

The total expenses related to the commencement of the Offering to be paid by the Company, excluding the Placement Fee payable to the Agents under the Equity Distribution Agreement, are estimated to be approximately \$150,000. Pursuant to the Equity Distribution Agreement, the Offering will terminate upon the earlier of (i) the issuance and sale of all of the Offered Shares subject to the Equity Distribution Agreement, (ii) the receipt issued for the Prospectus ceases to be effective, or (iii) the termination of the Equity Distribution Agreement as permitted therein.

The Company has given notice to the CSE to list the offered Shares offered by this Prospectus Supplement on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

The Company has received conditional approval of the TSX for the listing of its Common Shares. The Company will apply to list the Offered Shares on the TSX. The TSX has not conditionally approved the listing application for the Offered Shares, and there is no assurance that the TSX will approve such listing application. Listing of the Common Shares (including the Offered Shares) will be subject to the Company fulfilling all of the listing requirements of the TSX. Subject to the final approval of the TSX for the listing of the Common Shares, the Company intends to apply to delist the Common Shares from the CSE.

A copy of the Equity Distribution Agreement can be obtained on SEDAR+ under the Company's profile at www.sedarplus.ca.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (the "**Tax Act**") generally applicable to a holder who acquires Offered Shares as beneficial owner pursuant to the Offering who, at all relevant times, for the purposes of the Tax Act, deals at arm's length with the Company and each of the Agents, is not affiliated with the Company or any of the Agents, and will acquire and hold such Offered Shares as capital property (each, a "**Holder**"), all within the meaning of the Tax Act. The Offered Shares will generally be considered to be capital property to a Holder unless the Holder holds the Offered Shares in the course of carrying on a business of trading or dealing in securities or has acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to (a) a Holder that is a "financial institution" for purposes of the mark-to-market rules contained in the Tax Act; (b) a Holder an interest in which is or would constitute a "tax shelter investment" as defined in the Tax Act; (c) a Holder that is a "specified financial institution" as defined in the Tax Act; (d) a Holder that is a corporation resident in Canada that is or becomes, or does not deal at arm's length for the purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of Offered

Shares, controlled by a non-resident person or group of non-resident persons not dealing with each other at arm's length, for the purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act; (e) a Holder that reports its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency; (f) a Holder that is exempt from tax under the Tax Act; (g) a Holder that has entered into, or will enter into, a "synthetic disposition arrangement", a "derivative forward agreement" or a "synthetic equity arrangement" with respect to the Offered Shares as those terms are defined in the Tax Act; or (h) a Holder that receives dividends on Offered Shares under or as part of a "dividend rental arrangement" as defined in the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in the Offered Shares.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, any specific proposals to amend the Tax Act (the "**Tax Proposals**") that have been published in writing by or on behalf the Minister of Finance (Canada) prior to the date hereof and our understanding of the current administrative policies of the Canada Revenue Agency (the "**CRA**") published in writing prior to the date hereof. This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, or change in administrative policies or assessing practices of the CRA, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. No assurances can be given that the Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Offered Shares. **This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. This summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Offered Shares. Holders should consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances, including the application and effect of the income and other tax laws of any country, province or other jurisdiction that may be applicable to the Holder.**

Currency

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Offered Shares must be converted into Canadian dollars based on the relevant exchange rate as determined in accordance with the Tax Act.

Residents of Canada

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

Certain Resident Holders whose Offered Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act to have the Offered Shares, and every other "Canadian security" (as defined by the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years, deemed to be capital property.

Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their particular circumstances.

Taxation of Dividends

Dividends received or deemed to be received on the Offered Shares in the taxation year of a Resident Holder will be included in computing a Resident Holder's income for the year. In the case of a Resident Holder who is an individual (including certain trusts), dividends (including deemed dividends) received on the Offered Shares will be subject to the gross-up and dividend tax credit rules applicable to "taxable dividends" received by an individual from "taxable Canadian corporations", each as defined in the Tax Act, including the enhanced gross-up and dividend tax credit in respect of taxable dividends designated by the Company as "eligible dividends" in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

In the case of a Resident Holder that is a corporation, dividends (including deemed dividends) received on the Offered Shares will be included in the Resident Holder's income and will generally be deductible in computing the Resident Holder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received (or deemed to be received) by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or "subject corporation" (as such terms are defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on the Offered Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the year. A "subject corporation" is generally a corporation (other than a private corporation) resident in Canada and controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Disposition of Offered Shares

A Resident Holder who disposes of, or is deemed to have disposed of, an Offered Share (other than on a disposition to the Company, unless purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market) will generally realize a capital gain (or a capital loss) in the taxation year of the disposition or deemed disposition equal to the amount by which the proceeds of disposition are greater (or are less) than the aggregate of the adjusted cost base to the Resident Holder of the Offered Share immediately before the disposition or deemed disposition and any reasonable costs of disposition.

For the purposes of determining the adjusted cost base to a Resident Holder of each Offered Share acquired pursuant to the Offering, the cost of such Offered Share will be averaged with the adjusted cost base of all Common Shares (if any) held by the Resident Holder as capital property immediately prior to the acquisition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for that taxation year and one-half of any capital

loss realized by a Resident Holder in a taxation year (an “**allowable capital loss**”) must be deducted against taxable capital gains realized by the Resident Holder in that year, in accordance with the detailed rules of the Tax Act. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years (but not against other income), to the extent and in the circumstances set out in the Tax Act.

A capital loss realized on the disposition or deemed disposition of an Offered Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends received or deemed to have been received by the Resident Holder on such share (or on a share for which such share was substituted) to the extent and in the circumstances set out in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Offered Shares, directly or indirectly, through a partnership or trust. A Resident Holder to which these rules may be relevant is urged to consult its own tax advisor.

A Resident Holder that is throughout the taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) or at any time in the taxation year a “substantive CCPC” (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act), which is defined to include an amount in respect of taxable capital gains.

Minimum Tax

Taxable capital gains realized and taxable dividends received (or deemed to be received) by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Such Resident Holders should consult their own tax advisors in this regard.

Non-Residents of Canada

The following portion of this summary is generally applicable to a Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention and at all relevant times, is not resident or deemed to be resident in Canada (each, a “**Non-Resident Holder**”). It does not apply to a Non-Resident Holder (i) that uses or holds, or is deemed to use or hold, Offered Shares in connection with, or in the course of carrying on, a business in Canada, (ii) that is an insurer that carries on an insurance business in Canada and elsewhere, or (iii) is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

The following portion of this summary assumes that the Offered Shares will not be “taxable Canadian property” (as defined in the Tax Act) to any particular Non-Resident Holder at any time. Generally, the Offered Shares will not constitute taxable Canadian property to a Non-Resident Holder at a particular time provided that the shares are listed at that time on a designated stock exchange for purposes of the Tax Act (which includes the CSE and the TSX), unless at any particular time during the 60-month period that ends at that time, the following two conditions are met concurrently: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder does not deal at arm’s length (for the purposes of the Tax Act), and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of the Company, and (ii) more than

50% of the fair market value of the Offered Shares was derived directly or indirectly from one or any combination of: (a) real or immovable properties situated in Canada, (b) “Canadian resource properties”, (c) “timber resource properties”, and (d) options in respect of, or interests in, or, for civil law, rights in, any of the foregoing property whether or not the property exists, each term as defined in the Tax Act. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Offered Shares may be deemed to be taxable Canadian property.

Taxation of Dividends

Dividends paid or credited, or deemed to be paid or credited, to a Non-Resident Holder on the Offered Shares will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax treaty or convention. For example, under the Canada-United States Income Tax Convention (1980) (the “**Canada-U.S. Treaty**”), the withholding tax rate on dividends paid or credited, or deemed to be paid or credited, to a Non-Resident Holder who is the beneficial owner of the dividends and who is resident in the United States for purposes of, and is fully entitled to the benefits of, the Canada-U.S. Treaty (a “**U.S. Holder**”), is generally reduced to 15%. The rate of withholding tax is generally further reduced to 5% if the beneficial owner of such dividend is a U.S. Holder that is a company that owns, directly or indirectly, at least 10% of the voting stock of the Company.

The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the “**MLI**”) of which Canada is a signatory, affects many of Canada’s tax treaties (but not the Canada-U.S. Treaty), including the ability to claim benefits thereunder. Non-Resident Holders should consult their own tax advisors to determine their entitlement to benefits under any applicable income tax treaty or convention based on their particular circumstances.

Disposition of Shares

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of Offered Shares, unless the Offered Shares constitute taxable Canadian property of the Non-Resident Holder at the time of the disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention (including as a result of the application of the MLI).

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of an Offered Share that is taxable Canadian property to that Non-Resident Holder and the Non-Resident Holder is not entitled to an exemption under an applicable income tax treaty or convention (including as a result of the application of the MLI), the income tax consequences described above under the headings “*Residents of Canada - Disposition of Offered Shares*” and “*Residents of Canada – Taxation of Capital Gains and Capital Losses*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, counsel to the Company, and Blake, Cassels and Graydon LLP, counsel to the Agents, based on the current provisions of the Tax Act in force as of the date hereof, provided that the Offered Shares offered hereby are listed on a designated stock exchange (which currently includes the CSE and the TSX) or the Company is a “public corporation” for the purposes of the

Tax Act, the Offered Shares, if issued on the date hereof, would be, on such date, qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a registered disability savings plan (“RDSP”), a deferred profit sharing plan, a tax free savings account (“TFSA”), or a first home savings account (“FHSA”).

Notwithstanding that the Offered Shares may be qualified investments for a trust governed by an RRSP, RRIF, RESP, TFSA, RDSP or FHSA, the annuitant under an RRSP or RRIF, a subscriber of an RESP, or the holder of a TFSA, an RDSP or an FHSA, as the case may be, may be subject to a penalty tax if such Offered Shares are “prohibited investments” for the RRSP, RRIF, RESP, TFSA, RDSP or FHSA within the meaning of the Tax Act. The Offered Shares will generally not be a “prohibited investment” provided that the annuitant under the RRSP or RRIF, or a subscriber of the RESP, or the holder of the TFSA, the RDSP or the FHSA, as the case may be, deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Company. In addition, Offered Shares will not be a prohibited investment if such Offered Shares are “excluded property” as defined in the Tax Act for a trust governed by an RRSP, RRIF, RESP, TFSA, RDSP or FHSA.

Prospective investors who intend to hold Offered Shares in their RDSP, RESP, RRIF, RRSP, TFSA or FHSA are urged to consult their own tax advisors concerning whether the Offered Shares would constitute prohibited investments in their 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 Supplement as well as the documents incorporated by reference herein and the Base Shelf Prospectus and the documents incorporated by reference therein to be filed in relation to an “at-the-market distribution” be filed with the AMF in the French language. This exemptive relief is granted on the condition that this Prospectus Supplement, the Base Shelf Prospectus 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 “at-the-market distribution”.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon on behalf of the Company by Borden Ladner Gervais LLP, and on behalf of the Agents by Blake, Cassels and Graydon LLP. At the date hereof, the partners and associates of Borden Ladner Gervais LLP, as a group, and the partners and associates of Blake, Cassels and Graydon LLP, as a group, each beneficially own, directly or indirectly, less than one per cent of any outstanding securities of the Company.

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. 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.

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.

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. 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.

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

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

The following is a description of a purchaser's statutory rights in connection with any purchase of Offered Shares pursuant to the Offering, which supersedes and replaces the statement of purchasers' rights in the Base Shelf Prospectus under the heading "Purchasers' Statutory and Contractual Rights" solely with regards to the Offering.

Securities legislation in some provinces and territories of Canada provides purchasers of securities 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 the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of Offered Shares distributed under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase the Offered Shares and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of this Prospectus Supplement, the accompanying Base Shelf Prospectus, and any amendment thereto, relating to Offered Shares purchased by such purchaser because this Prospectus Supplement, the accompanying

Shelf Prospectus, and any amendment thereto, relating to the Offered Shares 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 the prospectus, prospectus supplement, and any amendment thereto, relating to securities purchased by a purchaser contains a misrepresentation. 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 Offered Shares distributed under an at-the-market distribution by the Company may have against the Company or the Agents for rescission or, in some jurisdictions, revisions of the price, or damages if this Prospectus Supplement, the accompanying Shelf Prospectus, and any 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.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal advisor.

CERTIFICATE OF HIGHLANDER SILVER CORP.

Dated: April 10, 2025

The short form prospectus, together with the documents incorporated in this prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of each of the provinces and territories of Canada.

(signed) "Daniel Earle"

DANIEL EARLE
President and Chief Executive Officer

(signed) "Sunny Lowe"

SUNNY LOWE
Chief Financial Officer

On behalf of the Board of Directors

(signed) "Richard Warke"

RICHARD WARKE
Director

(signed) "Thomas Whelan"

THOMAS WHELAN
Director

CERTIFICATE OF THE AGENTS

Dated: April 10, 2025

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of each of the provinces and territories of Canada.

BMO NESBITT BURNS INC.	CANACCORD GENUITY CORP.	HAYWOOD SECURITIES INC.	NATIONAL BANK FINANCIAL INC.
<u>(signed) "Carter Hohmann"</u>	<u>(signed) "Matt Reimer"</u>	<u>(signed) "Kevin Campbell"</u>	<u>(signed) "Eliau Terner"</u>
CARTER HOHMANN Managing Director	MATT REIMER Director	KEVIN CAMPBELL Managing Director, Investment Banking	ELIAU TERNER Managing Director and Head, Global Mining & Metals Investment Banking
RBC DOMINION SECURITIES INC.	STIFEL NICOLAUS CANADA INC.	TD SECURITIES INC.	VENTUM FINANCIAL CORP.
<u>(signed) "Phil Wilkinson"</u>	<u>(signed) "Reid Obradovich"</u>	<u>(signed) "Dorian Cochran"</u>	<u>(signed) "Tim Graham"</u>
PHIL WILKINSON Managing Director, Global Mining & Metals Investment Banking	REID OBRADOVICH Managing Director	DORIAN COCHRAN Managing Director	TIM GRAHAM Managing Director and Head of Capital Markets, Western Canada

This short form prospectus is a base shelf prospectus. This 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 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 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 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 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.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

April 10, 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 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) of Common Shares (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, regardless of whether the over-allocation position is ultimately filled through the exercise of an over-allotment option or secondary market purchases. 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 Common Shares offered. See “*Plan of Distribution*”.

The Common Shares are listed on the Canadian Securities Exchange (the “**CSE**”) under the stock symbol “HSLV”. On April 9, 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 \$1.96. **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.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS.....	2
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	2
DOCUMENTS INCORPORATED BY REFERENCE	4
SUMMARY DESCRIPTION OF BUSINESS	6
CONSOLIDATED CAPITALIZATION	7
USE OF PROCEEDS.....	7
RISK FACTORS.....	8
EARNINGS COVERAGE RATIOS.....	14
PRIOR SALES.....	15
TRADING PRICE AND VOLUME.....	15
DIVIDEND POLICY	15
DESCRIPTION OF SHARE CAPITAL	15
DESCRIPTION OF THE SECURITIES OFFERED UNDER THIS PROSPECTUS	16
DENOMINATIONS, REGISTRATION AND TRANSFER.....	22
PLAN OF DISTRIBUTION	22
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	24
EXEMPTION FROM NATIONAL INSTRUMENT 44-101	24
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	24
INTEREST OF EXPERTS.....	24
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES	25
ADDITIONAL INFORMATION	26
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	26
CERTIFICATE OF HIGHLANDER SILVER CORP.....	C-1

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* ("**Form 44-101F1**") 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.

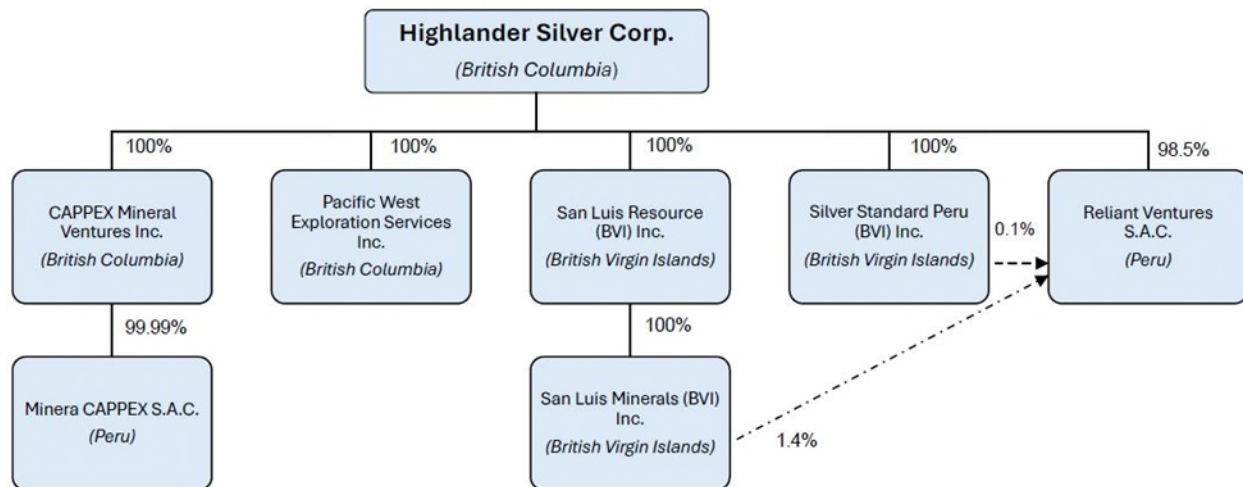
In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any template version of any "marketing materials" (as such term 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’s significant shareholders include the Augusta Group, which boasts an exceptional track record of value creation totaling over \$4.5 billion in exit transactions, and strategic shareholders, the Lundin family and Eric Sprott.

Discussion of Operations

The disclosure below relating to the San Luis Project is based on the recommendations provided in the technical report for the San Luis Project titled “Technical Report on the San Luis Property, District of Shupluy, Yungay Province, Ancash Department, Peru” with an effective date of January 15, 2025, prepared by independent qualified person, Martin Mount, MSc MCSM FGS CGeol FIMMM CEng (the “**Technical Report**”).

The Company’s plan for the San Luis Project is to advance the project through integrated exploration, environmental and community development programs. The goal is to surface the resource potential of the project through exploration and undertake environmental studies to support future technical studies, permitting and evaluations of economic potential for development.

The Technical Report recommends a two-phase exploration plan. Once the review of prior exploration plans and targets is complete (Q2 2025), the Company plans to initiate Phase 1 of the exploration program

with detailed mapping and systematic channel sampling of the known mineralized structures at the Bonita vein system, with a follow-up drilling campaign commencing in Q2 2025 of 2,500+ meters. In addition, the Company plans to carry out prospecting, mapping and sampling at the adjacent areas to identify and follow-up on additional veins, with the objective of defining further targets for drilling.

The Company is also actively engaged with the communities in the direct area of influence of the San Luis Project with the aim of employing its participatory development model based on community capacity building through skill and safety training, employment, entrepreneurship, infrastructure development and environmental, cultural, health and education programs. Road rehabilitation work is expected to commence at the conclusion of the rainy season (April 2025) to support Phase 1 of the exploration program and discussions are underway regarding further infrastructure projects.

Phase 1 is expected to cost approximately US\$1.7 million. Based on the drilling and prospecting results, the Company will commence Phase 2 of the exploration program recommended in the Technical Report, extending drilling activities (including drilling of priority targets identified in Phase 1), community programs and infrastructure development for the remainder of 2025 and into 2026. The estimated cost for Phase 2 is approximately US\$8.3 million.

Since the acquisition of the San Luis Project in May 2024, the Company has performed field reconnaissance of the project with mapping in an area north of the Ayelen vein system that has identified new veins and is currently undertaking a review of prior exploration plans and targets, particularly at the Bonita vein system, based on new integration and analysis of existing data, drill core review and field work validation. The expenditures incurred from acquisition of the project to date on such exploration activities are approximately US\$1.0 million.

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 7,095,000 incentive stock options granted and outstanding to purchase 7,095,000 Common Shares, at exercise prices ranging from \$0.42 to \$1.90, and expiring periodically through to April 7, 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.

The Company has provided an undertaking to the securities regulatory authority in each province and territory of Canada that the Company will, if any Debt Securities are distributed under this Prospectus and for so long as such Debt Securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1, unless the Company is relying on the exemption from those requirements in Section 13.4 of Form 44-101F1 which require certain summary information on credit supporters. A copy of the undertaking can viewed under the Company's profile at www.sedarplus.ca.

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 Common Shares in connection with an ATM Distribution or effect any other transactions that are intended to stabilize the market price of Common Shares 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, British Columbia, 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 (the " Reliant Financial Statements "). ⁽¹⁾

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 in this Prospectus and 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.

Note:

⁽¹⁾ The Reliant Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

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. 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.

Name of Person	Name and Address of Agent
Javier Toro <i>Director and Audit Committee Member</i>	Highlander Silver Corp. 2500 – 100 King Street West, Toronto, Ontario, Canada, M5X 1A9

Name of Person	Name and Address of Agent
Martin Mount <i>Qualified person</i>	Highlander Silver Corp. 2500 – 100 King Street West, Toronto, Ontario, Canada, M5X 1A9
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, M5X 1A9
Graeme Lyall <i>Qualified person</i>	Highlander Silver Corp. 2500 – 100 King Street West, Toronto, Ontario, Canada, M5X 1A9

Mr. Toro is a Mining Engineer with over 25 years of experience leading the planning, design, economical and financial evaluation, acquisition and execution of global scale open pit copper projects including the Constancia mine in Peru, the Copper World mine in United States and the Copper Mountain mine in Canada. In his current and past roles he has conducted a considerable amount of corporate development review work evaluating financial statements, performing technical, economical and financial analysis of numerous companies and their projects in the mining sector involving the review of complex financial models leading to the acquisition of projects valued between \$100 million to \$2 billion. Mr. Toro is currently the Chief Operating Officer at Solaris Resources. His education and over 25 years of experience in the mining industry offers him a broad-based understanding of the accounting principles used by the Company to prepare its financial statements as well as business and operational risks for the requisite experience to perform his responsibilities as a member of the audit committee.

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 Section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under Section 131 of the *Securities Act* (British Columbia) and Section 130 of the *Securities Act* (Ontario) 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: April 10, 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