

# Highland to Acquire Orvana's Copperwood Project

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LONGUEUIL, QUEBEC--(Marketwired - Feb 11, 2014) - [Highland Copper Company Inc.](#) (TSX VENTURE:HI) ("Highland" or the "Company") and [Orvana Minerals Corp.](#) (TSX:ORV) ("Orvana") have entered into a definitive agreement ("Agreement") whereby Highland will acquire all rights, title and interest in the Copperwood Project ("Copperwood") from Orvana through the acquisition of all of the outstanding shares of Orvana Resources US Corp. (the "Acquisition"). Copperwood is located in the Upper Peninsula of the State of Michigan (USA), approximately 30 kilometers southwest of the White Pine Project (see [Figure 1](#)).

Among other things, closing of the Acquisition ("Closing") is conditional upon the completion of a financing to fund the Acquisition and receipt of all required regulatory approvals including the approval of the TSX Venture Exchange. Closing is expected by April 30, 2014. The Agreement has been approved by both companies' Boards of Directors.

David Fennell, Executive Chairman of Highland, stated: "This transaction is part of a strategy that Highland has undertaken to consolidate an emerging copper district in the Upper Peninsula of Michigan. The acquisition of Copperwood in conjunction with our previously announced acquisition of the White Pine Project, and combined with our existing Keweenaw projects, establishes the foundation for an emerging intermediate copper producer. The synergistic combination of these three assets in a single portfolio will bring together a large-scale historical estimate of copper reserves and resources at White Pine and Copperwood, and additional potential copper resources from the Keweenaw projects."

Michael Winship, President and Chief Executive Officer of Orvana, stated: "Orvana has been pleased to be part of the development of Copperwood over the last several years. We continue to believe that a good copper mine will be built here. Based on a strategic planning review in 2013, Orvana decided that a disposition would allow for greater organic growth at existing operations through concentrated exploration. In addition, Orvana's balance sheet will be strengthened in this challenging market of metal price volatility."

## **Summary of the Transaction**

As consideration for the Acquisition, Highland will pay Orvana up to US\$25 million in aggregate, of which US\$20 million will be paid in cash upon Closing and US\$5 million will be paid in cash or shares of Highland, at Orvana's option, upon occurrence of the events described below:

- US\$1.25 million upon the earliest of (i) commencement of commercial production of Copperwood and (ii) the date that is 36 months after Closing; and an additional US\$1.25 million on the first anniversary of this payment.
- US\$1.25 million if the average copper price for any 60 calendar day period following the first anniversary and preceding the second anniversary of commencement of commercial production is greater than US\$4.25/lb; and an additional US\$1.25 million if the average copper price for any 60 calendar day period following the second anniversary and preceding the third anniversary of the commencement of commercial production is greater than US\$4.50/lb.

Orvana will use the proceeds received from the divestment of Copperwood to repay a \$2.7 million loan from Orvana's majority shareholder, invest in organic growth at its existing operations and working capital.

## **Copperwood Project**

Copperwood is a feasibility stage project. On February 25, 2011, Orvana announced an updated resource estimate for Copperwood, including the mineralization in the adjacent Copperwood satellites area (see Table

1). Subsequently, on February 7, 2012, Orvana announced the results of a feasibility study for Copperwood.

**The mineral reserves and mineral resources reported below are provided as historical data only. A qualified person has not completed the work necessary to verify the quality of the historic exploration data or to classify the historical estimate as current mineral resources or mineral reserves. Highland is not treating the historical estimate as current mineral resources or mineral reserves and the historical data should not be relied upon until they have been verified.**

**Table 1 - Copperwood Project Historical Estimate of Mineral Reserves and Resources**

	Copper			Silver	
	M st*	%	M lbs.	gpt	M oz.
Proven Reserves	23.1	1.46	710	3.98	2.98
Probable Reserves	7.1	1.21	142	2.44	0.46
Total Reserves	30.2	1.41	852	3.63	3.46
Indicated Resources (Copperwood satellite area)	25	1.4	771		
Inferred Resources (Copperwood satellite area)	36.1	1.3	1033		

Source: NI 43-101 Technical Report - Copperwood S6 & Satellites: AMEC E & C Services (USA) G. Kulla & D. Thomas, January, 2011

### ***Advisors and Counsel***

Highland has engaged BMO Capital Markets as its financial advisor and Rhoades McKee PC as US legal counsel and McMillan LLP as Canadian legal counsel. Orvana has engaged Cutfield Freeman & Co as its financial advisor and Stikeman Elliot LLP as its legal counsel.

### ***Qualified Person***

The technical information contained in this news release has been approved by Carlos Bertoni, P.Geo., a consultant to Highland. Mr. Bertoni is a qualified person as defined in NI 43-101.

### **ABOUT HIGHLAND - CORPORATE UPDATE**

On November 19, 2013, Highland announced that it entered into a binding letter agreement with Copper Range Company ("CRC"), a subsidiary of [First Quantum Minerals Ltd.](#), to acquire all of CRC's rights, title and interest in the White Pine Project located in the Keweenaw Peninsula region of northern Michigan, U.S.A. Highland and CRC have amended the letter agreement and are now working towards executing a definitive asset purchase agreement and completing an interim closing by February 28, 2014, with a final closing to follow before December 31, 2015.

On January 8, 2014, the Company announced its plan to complete a non-brokered private placement of up to C\$25 million at a price of \$0.45 per common share. The Company intends to amend the terms of the private placement.

Highland is a Canadian exploration company focused on exploring and developing copper projects in the Upper Peninsula of Michigan, U.S.A. Highland had approximately \$2.6 million in cash at December 31, 2013 and has 52,344,545 issued and outstanding common shares listed on the TSX Venture Exchange under the symbol 'HI'.

Additional information about Highland is available on Highland's website ([www.highlandcopper.com](http://www.highlandcopper.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **ABOUT ORVANA**

Orvana Minerals is a multi-mine gold and copper producer. Orvana's primary asset is the El Valle-Boinás/Carlés gold-copper Mine in northern Spain. Orvana also owns and operates the Don Mario Upper Mineralized Zone copper-gold-silver mine in Bolivia. Additional information is available at Orvana's website ([www.orvana.com](http://www.orvana.com)).

Orvana will hold a conference call on Tuesday, February 11, 2014 at 10:00 a.m. (Eastern Time) to discuss the Acquisition as well as its financial and operational results for the first quarter of fiscal 2014. Following the presentation there will be a question and answer period for analysts and investors. The conference call details are as follows: toll free 1-800-743-9807 // North America 416-981-9009.

## CAUTIONARY STATEMENT

*Certain statements contained in this press release constitute forward looking information under the provisions of Canadian securities laws. Such statements include without limitation: Highland's plans and objectives to acquire the Copperwood, the White Pine Project and to become an emerging intermediate copper producer; Highland's plans regarding a financing; and other statements and information regarding anticipated results regarding Highland's operations and exploration. Such statements also include without limitation: Orvana's plans and objectives to apply use of proceeds as outlined; and other statements and information regarding Orvana's future growth plans. Such statements reflect the respective views of Highland and Orvana as at the date of this press release and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements. Actual results may be materially different from those currently anticipated. Many factors, known and unknown could cause the actual results to be materially different from those expressed or implied by such forward looking statements. Such risks include, but are not limited to: the volatility of copper price; the uncertainty related to the historical estimate of reserves and resources; future exploration results, capital expenditure requirements and other costs; currency fluctuations; the availability of financing for additional capital requirements, cost of exploration and development programs; mining risks; risks associated with governmental and environmental regulation and obtaining all the necessary permits for the development of the project; and risks associated with global economic growth. Highland and Orvana do not intend, and do not assume any obligation, to update these forward-looking statements and information, except as required by law. Accordingly, readers are advised not to place undue reliance on forward-looking statements.*

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

Figure 1 is available at the following address: [http://media3.marketwire.com/docs/926847\\_MAP.pdf](http://media3.marketwire.com/docs/926847_MAP.pdf).

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