



1 July 2016

Operations to resume at Ramu Nickel

Highlands Pacific Ltd (**ASX:HIG**) has been advised by Metallurgical Corporation of China (MCC), the operator and manager of the Ramu Nickel joint venture in PNG, that operations at the Ramu process plant are being systematically resumed following rectification work.

Operations ceased at the Basamuk refinery near Madang on April 12 following the failure of a high pressure steam pipeline, which resulted in the tragic fatality of one Chinese staff member and the injury of two PNG national employees.

A thorough investigation of the incident has been carried out by an external contractor, including a review of systems integrity and safety procedures. In addition, the Mineral Resources Authority (MRA) Mines Inspectorate has conducted a formal inquiry and remedial work has subsequently been carried out at the plant.

The MRA conducted further site verification inspections in late June and has issued a conditional permission to restart two of the three High Pressure Acid Leach (HPAL) trains at the process plant. The conditions concern areas of training, supervision and general operating procedures surrounding the operation of HPAL Trains 1 & 2. Further repairs are being undertaken on HPAL Train 3, where the failure occurred. Mining and processing are now being systematically resumed at the Kurumbukari mine and the Basamuk refinery.

Timing for a full resumption of operations will be advised in due course.

Highlands Pacific holds an 8.56% interest in the Ramu Nickel joint venture.

For further information

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ASX Code: HIG
PoMSox Code: HIG
Shares on Issue: 928 million
Performance Rights: 29.8 million

Directors

Ken MacDonald, Chairman
John Gooding, Managing Director
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Management

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About Highlands Pacific Limited

Highlands Pacific is a PNG incorporated and registered mining and exploration company listed on the ASX and POMSoX exchanges. Its major assets are interests in the producing Ramu nickel cobalt mine and the Frieda River copper gold project; with exploration in progress in the Star Mountains. Highlands also has exploration tenements on Normanby Island (Sewa Bay).

Star Mountains Prospects*

The Star Mountains exploration tenements, which include Nong River EL1312, Mt Scorpion EL1781, Munbil EL2001 and Tifalmin EL1392, are located approximately 20km north of the Ok Tedi mine, in the West Sepik Province, PNG. They lie within the highly prospective Papua New Guinean Orogenic Belt, which hosts the Grasberg, Ok Tedi, Porgera and Hidden Valley mines, as well as the Frieda deposit. The joint venture with partner Anglo American substantiates the world class potential of the Star Mountains district and enabled an extensive exploration program to commence in 2015.

Ramu Nickel Cobalt Mine

The producing Ramu nickel cobalt mine is located 75km west of the provincial capital of Madang, PNG. Highlands' 8.56% interest in Ramu will increase to 11.3% at no cost to Highlands after repayment of its share of the project debt. Highlands also has an option to acquire an additional 9.25% interest in Ramu at fair market value, which could increase the company's interest in the mine to 20.55%, if the option is exercised. The project's operator and majority owner is the recently merged Chinese companies Metallurgical Corporation of China Limited (MCC) / China Minmetals.

Frieda River Copper/Gold Project*

The Frieda River copper gold project is located 175kms north-west of the Porgera gold mine and 75km north-east of the Ok Tedi mine. Highlands has a 20% interest in the project and Frieda River Limited (FRL) (a wholly owned subsidiary of PanAust Limited which in turn is a wholly owned subsidiary of Guangdong Rising Assets Management Co. Ltd.) 80%.

* Subject to the right of the Independent State of Papua New Guinea to acquire up to a 30% equity interest in any mining development in the country.