



8 October 2018

Ramu Project

Highlands Pacific Limited (ASX:HIG) has noted recent media reports regarding a potential expansion of the Ramu nickel and cobalt project in Papua New Guinea, in which Highlands holds an 8.56% interest (increasing to 11.3% upon repayment of project loans to Metallurgical Corporation of China Limited (MCC)).

Highlands can confirm that MCC, the manager and majority partner in the Ramu joint venture, is investigating the expansion of the project which may cost in the order of US\$1.5 billion. Details of any proposed expansion will be announced when they are finalised. The project has been achieving record rates of production and strong profitability in recent quarters and has recently increased its Ore Reserves and Mineral Resources and has plans for further drilling programs.

Highlands meanwhile remains focused on completion of its proposed streaming transaction with Cobalt 27, announced in May. The transaction requires the approval of the joint venture partners in the Ramu project, including MCC and the Mineral Resources Development Company of PNG (MRDC); and is likely to involve MRDC entering an equivalent streaming transaction with Cobalt 27. Highlands is continuing to work with MRDC, MCC and Cobalt 27 to finalise the transaction.

**For further information, please contact:
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ASX Code: HIG

POMSoX Code: HIG

Shares on Issue: 1,093 million

Performance Rights: Nil

Directors

Ron Douglas, Chairman
Craig Lennon, MD/CEO
Bart Philemon
Anthony Milewski

Management

Sylvie Moser, CFO and Co Sec
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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. 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 at on Normanby Island (Sewa Bay).

Ramu Nickel Cobalt Mine

The producing Ramu nickel cobalt mine is located 75km west of the provincial capital of Madang, PNG. Highlands holds an 8.56% interest in the Ramu project, however this will increase to 11.3% at no cost to Highlands once Highlands' share of Ramu project debt is repaid to the project manager and joint venture partner Metallurgical Corporation of China (MCC). Highlands recently announced plans to repay the debt to MCC following finalization of a streaming transaction with Cobalt27. 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 were exercised.

Star Mountains Prospects

The Star Mountains exploration tenements are located approximately 20km north of the Ok Tedi mine, in the West Sepik Province, PNG. They lie within the highly prospective New Guinean Orogenic Belt, which hosts the Grasberg, Ok Tedi, Porgera and Hidden Valley mines, as well as the Frieda deposit.

Frieda River Copper/Gold Project

The Frieda River copper gold project is located 175km 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 (a wholly owned subsidiary of PanAust Limited which in turn is a wholly owned subsidiary of Guangdong Rising Assets Management Co. Ltd.) has 80%.