



Quarterly Activities Report - for the period ended 31 March 2019

ASX Code: HIG

Shares on Issue: 1,093 million

Performance Rights: Nil

Shareholders: ~6,765

Market Cap: A\$115m (10.5c-per-share)

Cash at bank: A\$19m

Directors

Ron Douglas, *Chairman*

Craig Lennon, *Managing Director/CEO*

Ernie Gangloff

Anthony Milewski

Management

Sylvie Moser, CFO & Co. Sec

Ron Gawi, GM Port Moresby

For further information, please

contact:

Joe Dowling

Stockwork Corporate Communications

0421 587755

www.highlandspacific.com

HIGHLIGHTS

Corporate

- A meeting of Highlands shareholders is to be held at 10.00am (AEST) on Tuesday, 30 April 2019 in Port Moresby to consider the proposed acquisition of Highlands by Cobalt 27 Capital Corp via a Scheme of Arrangement.
- To proceed, the Scheme requires approval by 75% of the votes cast at that meeting.
- If the Scheme is implemented, shareholders will receive A\$0.105 per Share, rising to A\$0.115 if the closing spot price of nickel exceeds US\$13,220 per tonne over a period of 5 consecutive trading days prior to 31 December 2019.
- The Scheme Booklet was released to the ASX on March 12 and included an Independent Expert's Report by Deloitte Corporate Finance Pty Ltd which concluded that the Scheme was fair and reasonable and in the best interests of shareholders not associated with Cobalt 27, in the absence of a superior proposal.
- Cash totaled US\$13.5 million (A\$19.0 million) at the end of March 2019.

Ramu Nickel Cobalt Mine (Highlands 8.56%)

- March quarter production totalled 7,663 tonnes of nickel and 704 tonnes of cobalt (94% of budget).
- Production was lower than prior quarters due to the planned maintenance of two of the three production lines, and unscheduled maintenance issues in the limestone plant in February.

Frieda River Copper Gold Project (Highlands 20%)

- The Frieda River Copper-Gold Project feasibility study completed by the project manager PanAust Limited in December 2018 is being considered by PNG government as part of the permitting process.
- Separately from the proposed Scheme of Arrangement outlined above, Cobalt 27 has entered into an agreement with PanAust under which, if the Scheme is implemented and other conditions precedent satisfied, Cobalt 27 will transfer Highlands's 20% interest in the Frieda River Project to PanAust for US\$9.45 million (refer page 6 for further details).
- The US\$9.45 million purchase price is to be paid out of the funds which PanAust will receive from Cobalt 27 as payment for its 11.8% shareholding in Highlands on implementation of the proposed Scheme.

Star Mountains Copper Gold exploration (Highlands 100%)

- Search for potential joint venture partners to fund exploration continues.
- Project infrastructure and equipment remains under care and maintenance.

Sewa Bay Nickel (Exploration)

- Strategic review of the project has been deferred subject to the outcome of the proposed Scheme of Arrangement with Cobalt 27.



Ramu Nickel Cobalt Mine

Location: The Kurumbukari mine is connected to the Basamuk treatment plant by a 135km pipeline which is on the coast and 75 km east of the provincial capital of Madang, PNG.

Equity: Highlands has an 8.56% interest in the mine which will increase to 11.3% at no cost after internal project debt has been repaid.

About MCC: Metallurgical Corporation of China Limited is the operator of the project. MCC is a multi-asset company, well known for its strength in scientific research, industrial engineering practice and international trading. MCC holds a 61% interest in MCC Ramu NiCo Limited (which holds an 85% interest in the Mine), with other Chinese end users holding the remaining 39%.

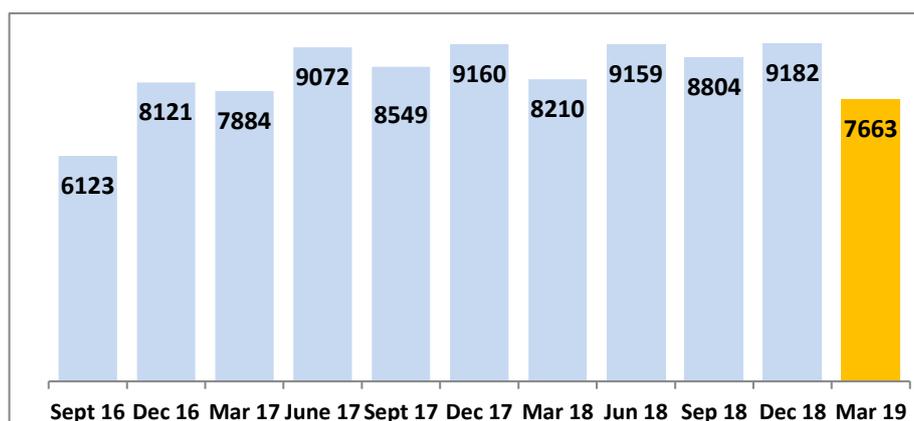
RAMU NICKEL COBALT MINE (8.56%)

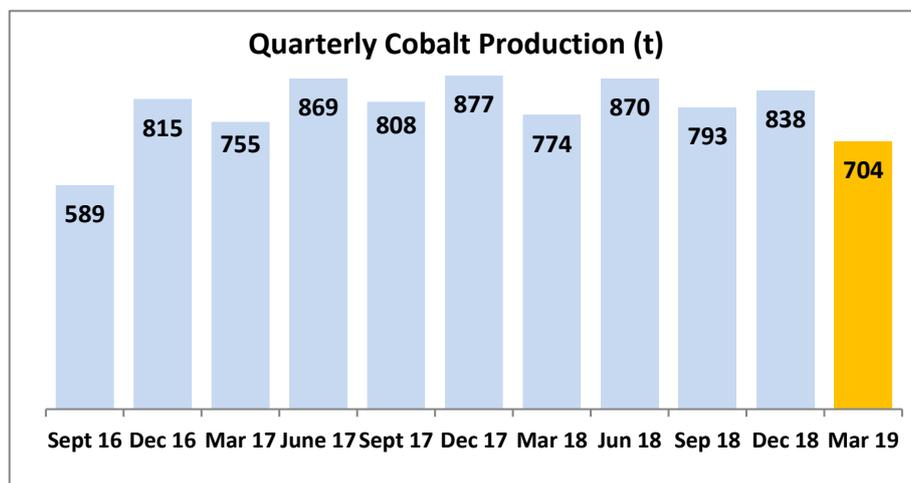
The Ramu nickel and cobalt mine produced 7,663 tonnes of nickel and 704 tonnes of cobalt in the March quarter (94% of budget). Output was affected by the normal scheduled maintenance on two of the three High Pressure Acid Leach trains which required each to be shut down for 15 days.

In addition, output during the quarter was reduced by maintenance issues in the limestone plant. Normal operations resumed by the end of the quarter.

	2018 Mar Qtr	2018 Jun Qtr	2018 Sep Qtr	2018 Dec Qtr	2018 Mar Qtr
Ore Processed (dry kt)	877	950	920	963	800
MHP Produced (dry t)	21,688	23,949	22,750	23,871	19,653
Contained Ni (t)	8,210	9,159	8,804	9,182	7,663
Contained Co (t)	774	870	793	838	704
MHP shipped (dry t)	23,827	17,114	1,352	24,272	17,219
Contained Ni (t)	9,024	6,999	524	9,413	6,588
Contained Co (t)	861	655	48	865	609

Quarterly Nickel Production (t)





Ramu Mineral Resources 15 June 2018

Classification	Tonnes (Mt)	Average grade (%)	
		Ni	Co
Measured	34	0.9	0.1
Indicated	42	0.9	0.1
Subtotal	76	0.9	0.1
Inferred	60	1.0	0.1
Total	136	0.9	0.1

0.5% nominal cut-off.

Totals may not equal the sum of the component parts due to rounding adjustments.

Ore tonnes (dry) represent the -2 mm economic portion of resource mineralization in the rocky saprolite.

Competent Person Statement. Mineral Resources

The information in this report that relates to Ramu Mineral Resources is based on information compiled by Zhang Xueshu, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Zhang Xueshu is a full-time employee and Chief Geologist of Sinomine Resources Exploration Co and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Zhang Xueshu consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information on the Ramu Mineral Resource is extracted from the report entitled "Ramu Mineral Resource and Ore Reserve Update 2018" released on 10 September 2018 and available on the Company website.



Ramu Ore Reserves, 15 June 2018

Classification	Tonnes (Mt)	Average grade (%)	
		Ni%	Co%
Proved	24	0.9	0.1
Probable	33	0.9	0.1
Ore Reserves	56	0.9	0.1

Totals may not equal the sum of the component parts due to rounding adjustments.

Ore tonnes (dry) represent the -2 mm economic portion of resource mineralization in the rocky saprolite.

Based on a nickel price of US\$12,000/t, and cobalt price of US\$48,501/t.

Competent Person Statement. Ore Reserves

The information in this report that relates to Ramu Ore Reserves is based on information compiled by Mr Gao Xiang, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Gao Xiang is a part-time employee of Sinomine Resources Exploration Co and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gao Xiang consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information on the Ramu Ore Reserve is extracted from the report entitled "Ramu Mineral Resource and Ore Reserve Update 2018" released on 10 September 2018 and available on the Company website.

Highlands confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Highlands confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



Location: The Star Mountains refers to a range of mountains in far west PNG. The tenements are approximately 20kms NE of the Ok Tedi copper mine. Total tenement area 1049 sq kms

History: First explored by Kennecott in the early 1970s.

Ownership: Highlands holds 100% of the Star Mountains tenements. The PNG Government retains the right to acquire up to a 30% interest in the project on granting of a special mining lease.

2011 Exploration Program: Focused on the completion of Stage 1 drilling program on the Olgal prospect.

2012 Exploration Program: 5,587m of drilling for 17 holes covering 6 prospect areas.

2015 Exploration Program: Nine hole program for a total of 5,387 metres.

2016/17 Exploration Program: Seven holes completed for 5,620 metres.

STAR MOUNTAINS COPPER/GOLD PORPHYRY EXPLORATION

New Joint Venture Partner Being Identified

The Star Mountains project remains on Care and Maintenance while a new joint venture partner is being identified.

Star Mountains Resource

Using a 0.3% copper cut-off grade, the deposit is estimated to contain 210 million tonnes grading 0.4% copper and 4g/t gold, for 840,000 tonnes of contained copper and 2.9 Moz contained gold.

The resource was estimated by independent consulting geologists H&S Consultants Pty Ltd, based on data and assays from 23 diamond core drill holes totaling 8,949 metres.

The resource was as follows at various cut-off grades:

Cu Cut-off grade	Mt	%Cu	g/t Au	Mt Cu	MozAu
0.20	450	0.3	0.3	1.4	4.5
0.30	210	0.4	0.4	0.84	2.9
0.40	80	0.5	0.6	0.40	1.6

For full details see ASX announcement of 20 February 2018



About Frieda River

Location: Located in the north-west of Papua New Guinea.

Ownership: Highlands owns 20%. PanAust, a wholly owned subsidiary of Guangdong Rising Assets Management Co. Ltd. (GRAM) owns 80% and is the manager of the project.

The Frieda River district endowment totals some 2.7 billion tonnes of Mineral Resource containing approximately 13 Mt of copper and 21 Moz of gold.

FRIEDA RIVER COPPER - GOLD PROJECT (20%)

Permitting

Highlands received a feasibility study for the Frieda River Copper-Gold Project from the project manager PanAust Limited in December 2018.

The feasibility study followed an extensive review of PanAust's previous development plan which was outlined in its May 2016 feasibility study, which was subsequently updated in an addendum in March 2017.

The 2018 feasibility study is now being considered by the appropriate PNG government departments as part of the ongoing permitting process.

Frieda River Sale Agreement

Separately from the proposed Cobalt 27 Scheme of Arrangement, Cobalt 27 has entered into an agreement with PanAust under which, if the Scheme is implemented and other conditions precedent satisfied, Cobalt 27 will cause Highlands to transfer its 20% interest in the Frieda River Project to PanAust for US\$9.45 million.

This amount is the carrying value of the 20% interest in Highlands' financial statements as at 30 June 2018, of US\$28.8 million, less:

- the outstanding principal and interest on loans made by PanAust to Highlands as at 31 December 2018 of US\$6.89 million; and
- all amounts which PanAust claims are payable by Highlands in respect of calls under the Frieda River JV Agreement, of US\$12.46 million.

The Sale Agreement also provides that the sale will have an effective date of 1 January 2019, and that cash calls between 1 January 2019 and completion of the sale will be to the account of PanAust.

The US\$9.45 million purchase price for the 20% interest is to be paid out of the Scheme Consideration which PanAust receives for its 11.8% shareholding in Highlands on implementation of the Scheme.



HITEK Ore Reserve 2018

Frieda River Ore Reserves were updated by the project manager PanAust in December 2018.

The 2018 Horse-Ivaal-Trukai, Ekwai and Koki (HITEK) Ore Reserve estimate for the Frieda River Copper-Gold Project at September 2018 is reported according to the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

The 2018 HITEK Ore Reserve is supported by the Sepik Development Project Feasibility Study (Feasibility Study) completed in 2018. This Ore Reserve estimate replaces the 2017 HITEK Ore Reserve estimate. The HITEK Ore Reserve is summarised in the following table.

Class	2018 HITEK Ore Reserve		
	Tonnes (MT)	Copper grade (%)	Gold grade (g/t)
Proved	604	0.51	0.30
Probable	761	0.42	0.21
Total	1,365	0.46	0.25

2018 Ore Reserve notes:

- (i) Estimated at commodity prices of US\$3.30/lb copper and US\$1,390/oz gold
- (ii) Reported using a breakeven economic cut-off value that considers relevant modifying factors
- (iii) Reported on a 100% ownership basis
- (iv) The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually, the table may show apparent inconsistencies between the sum of rounded components and the corresponding rounded total.

Competent Person. Ore Reserves

The data in this report that relate to Ore Reserves for the Frieda River Project are based on information reviewed by Mr Scott Cowie who is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy (MAusIMM CP). Mr Cowie is a full-time employee of PanAust Limited. Mr Cowie has sufficient experience relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cowie consents to the inclusion in the report of the Ore Reserves in the form and context in which they appear.

The information on the HITEK Reserve is extracted from the report entitled "Frieda River Copper/Gold Project Reserve Update" created on 10 December 2018 and available on the Company website.



HITEK Mineral Resource 2017

Classification	Tonnes (Mt)	Copper grade (%)	Gold grade (g/t)
Measured	620	0.53	0.30
Indicated	1,240	0.44	0.22
M+I subtotal	1,860	0.47	0.25
Inferred	780	0.35	0.18
MII total	2,640	0.44	0.23

Copper cut-off grade 0.2% (total copper).

The Measured and Indicated Mineral Resource is inclusive of those Mineral Resources modified to produce the Ore Reserves.

This Mineral Resource is reported on a 100% ownership basis.

May include minor computational errors due to rounding.

The HITEK Mineral Resource is constrained within Revenue Factor 1.5 shell, (US\$4.95/lb Cu, US\$2,175/oz Au)

"FRL_HITEK_V3_25x25x15_1608v1e HIT-MII EK-MII_Shell_06_1.5.sft".

Nena Mineral Resource 2017

Nena Sulphide Mineral Resource 2017					
Category	Tonnes (Mt)	Copper grade (%)	Gold grade (g/t)	Arsenic grade (%)	Antimony grade (ppm)
Indicated	35	2.35	0.79	0.25	160
Inferred	17	1.68	0.29	0.12	80
Total	52	2.13	0.63	0.20	130

Copper cut-off grade 0.3% (total copper).

The Mineral Resource is reported on a 100% ownership basis.

Totals may include minor discrepancies for rounding.

Nena Gold Cap Mineral Resource 2017					
Category	Tonnes (Mt)	Copper grade (%)	Gold grade (g/t)	Arsenic grade (%)	Antimony grade (ppm)
Indicated	11	0.07	1.35	0.30	230
Inferred	10	0.06	1.28	0.21	170
Total	20	0.06	1.32	0.26	200

Gold cut-off grade 0.5g/t with an upper copper grade limit of 0.3%.

Reported on a 100% ownership basis.

Totals may include minor discrepancies for rounding.



Competent Person Statement. Mineral Resources

The data in this report that relate to Mineral Resources for Frieda River (HITEK and Nena) are based on information reviewed by Mr Shaun Versace who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Versace is a full-time employee of PanAust Limited. Mr Versace has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Versace consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.

The information on the HITEK Resource is extracted from the report entitled “2017 Horse/Ivaal/Trukai/Ekwai/Koki (HITEK) Deposit Frieda River Mineral Resource and Ore Reserve Statements” created on 24 March 2017 and available on the Company website.

The information on the Nena Resource is extracted from the report entitled “Frieda River Copper-Gold Project Mineral Resource update for the Nena copper-gold deposit” released on 27 November 2017 and available on the Company website.

Highlands confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Highlands confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.



Location: Normanby Island,
Milne Bay Province

Ownership: The Esa'ala lease
(EL 1761) is 100% owned by
Highlands.

Area: 758 km²

SEWA BAY – NICKEL LATERITE / GOLD EXPLORATION

Highlands has been undertaking a strategic review of the project, however further work has been deferred subject to the outcome of the proposed Scheme of Arrangement with Cobalt 27.



CORPORATE

Proposed Scheme of Arrangement with Cobalt 27

As announced on January 2, 2019 Highlands has entered into a Scheme Implementation Agreement with Cobalt 27 under which Cobalt 27 is seeking to acquire all of the shares in Highlands that it does not own under a Scheme of Arrangement.

Cobalt 27 is Highlands' largest shareholder and has recently increased its holding to approximately 19.99%. Under the terms of the Scheme, Highlands shareholders will be entitled to receive A10.5 cents cash per share. The consideration represents a premium of 43.8% over the closing price of Highlands shares on 24 December 2018 of A7.3 cents and implies an equity value for Highlands of approximately A\$115 million.

The consideration will increase by A1.0 cent cash per share to A11.5 cents if before 31 December 2019 the closing spot price of nickel exceeds US\$13,220 per tonne over a period of five consecutive trading days.

The Scheme will require the approval of 75% of Highlands' shareholders at a shareholder meeting to be held at 10.00am (AEST) on Tuesday, 30 April 2019. The meeting will be held at the Hilton Port Moresby, Wards Rd, Hohola, Port Moresby, 121, Papua New Guinea.

Scheme Booklet

A copy of the Scheme Booklet, which includes an Independent Expert's Report and a Notice of Scheme Meeting, was released to the ASX in March and was sent to shareholders. The Scheme Booklet includes an Independent Expert's Report prepared by Deloitte Corporate Finance Pty Ltd, which concluded that the Scheme was fair and reasonable and in the best interests of shareholders not associated with Cobalt 27, in the absence of a superior proposal.

Directors' recommendation

Highlands Independent Directors (being all the Highlands Directors other than Anthony Milewski) continue to unanimously recommend that shareholders vote in favour of the Scheme.

Cash Balance

Cash totaled US\$13.5 million (A\$19.0 million) at the end of March 2019.



Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Highlands Pacific Limited are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Highlands Pacific Limited that could cause Highlands Pacific Limited's actual results to differ materially from the results expressed or anticipated in these statements.

Highlands Pacific Limited cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Highlands Pacific Limited does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.



ATTACHMENT 1

LIST OF MINING TENEMENTS

(All located in Papua New Guinea)

Tenement Reference	Beneficial Interest at Commencement of Period	Beneficial Interest at End of Period	Location – Province
Exploration (Highlands Pacific Resources Limited) EL 1761	100% - Note 1	100% - Note 1	Milne Bay Province
Star Mountains (Highlands Pacific Resources Limited) ELs 1312, 1392, 1781, 2001, 2467, 2478 and 2571	100% - Note 1	100% - Note 1	Sandaun Province
Frieda River Project (Highlands Frieda Limited) ELs 0058, 1895 and 1956 ELs 1212, 1746 and 1957 ELs 1744, and 1745	20% - Note 1 20% - Note 1 20% - Note 1	20% - Note 1 20% - Note 1 20% - Note 1	Sandaun Province Sandaun & East Sepik Province East Sepik Province
Ramu Project (Ramu Nickel Limited) SML 8 ML 149 LMPs 42, 43, 44, 45, 46, 47, 48 and 49 MEs 75, 77, 78 and 79 ELs 193 and 2376 (previously 1178)	8.56% 8.56% 8.56% 8.56% 8.56%	8.56% 8.56% 8.56% 8.56% 8.56%	Madang Province Madang Province Madang Province Madang Province Madang Province

Mining Tenements acquired or disposed of during the quarter – nil.

Beneficial percentage interests held in farm-in or farm-out agreements – all the mining tenements for the Frieda River Project and the Ramu Project are held in joint venture. The percentage detailed in the table above indicates the percentage held by Highlands.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter – nil.

1. Subject to the right of the Independent State of Papua New Guinea to acquire a 30% equity interest in any mining development in that country by paying its pro-rata share of historical sunk costs and future developments costs.

2. Definitions:

EL	-	Exploration Licence
ELA	-	Exploration Licence Application
SML	-	Special Mining Lease
ML	-	Mining Lease
LMP	-	Lease for Mining Purpose
ME	-	Mining Easements



Appendix 5b

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HIGHLANDS PACIFIC LIMITED

ACN or ARBN

ARBN 078 118 653

QUARTER ENDED ("CURRENT QUARTER")

31 March 2019

NOTE: As Highlands operating and mining development decisions are based on US dollars, Highlands Directors have adopted the US dollar as Highlands functional and management reporting currency. For ease of understanding by the Australian and PNG investment communities, results have been converted, in this report, to \$A at the rate ruling at the end of the quarter of \$A/\$US 0.7087.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Current quarter	Current quarter	Year to date	Year to date
	\$US'000	\$A'000	\$US'000	\$A'000
Cash flows related to operating activities				
1.1 Receipts from customers	-	-	-	-
1.2 Payments for:				
- exploration and evaluation (Frieda holding costs)*	(5)	(7)	(5)	(7)
- production (Ramu holding costs)*	(34)	(48)	(34)	(48)
- Star Mountains holding costs*	(43)	(61)	(43)	(61)
- staff costs	(313)	(442)	(313)	(442)
- administration and corporate costs	(1,074)	(1,515)	(1,074)	(1,515)
1.4 Interest received	10	14	10	14
1.5 Income taxes (paid)/refund	-	-	-	-
1.6 Net cash from / (used) in operating activities	(1,459)	(2,059)	(1,459)	(2,059)
Cash flows from investing activities				
2.1 Payments to acquire: property, plant and equipment	-	-	-	-
2.2 Other	-	-	-	-
2.4 Net cash from / (used in) investing activities	-	-	-	-

* Includes staff costs pertaining to these projects



Cash flows from financing activities					
3.1	Proceeds from issue of shares	-	-	-	-
3.2	Repayment of borrowings	-	-	-	-
3.3	Net cash from / (used in) financing activities	-	-	-	-
	Net increase (decrease) in cash and cash equivalents for the period	(1,459)	(2,059)	(1,459)	(2,059)
4.1	Cash and cash equivalents at beginning of the period	14,857	21,050	14,857	21,050
4.2	Net cash from / (used in) operating activities (item 1.7 above)	(1,459)	(2,059)	(1,459)	(2,059)
4.3	Net cash from / (used in) investing activities (item 2.4 above)	-	-	-	-
4.4	Net cash from / (used in) financing activities (item 3.3 above)	-	-	-	-
4.5	Effect of movement in exchange rates on cash held	64	4	64	4
4.6	Cash and cash equivalents at end of period	13,462	18,995	13,462	18,995

Reconciliation of cash and cash equivalents					
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts					
	Current quarter	Current quarter	Previous quarter	Previous quarter	
	\$US'000	\$A'000	\$US'000	\$A'000	
5.1	Bank balances	13,032	18,389	14,424	20,436
5.2	Call deposits	-	-	-	-
5.3	Bank overdrafts	-	-	-	-
5.4	Other short-term deposits	430	606	433	614
5.5	Cash and cash equivalents at the end of quarter	13,462	18,995	14,857	21,050

Payments to directors of the entity and their associates

	Current quarter		
	\$US'000	\$A'000	
6.1	Aggregate amount of payments to these parties (included in item 1.2)	43	61
6.2	Aggregate amount of cash flow from loans to these parties (included in item 2.3)	nil	nil
6.3	Include below any explanation necessary to understanding of the transactions included in 6.1 and 6.2		

Payments to related entities of the entity and their associates

	Current quarter		
	\$US'000	\$A'000	
7.1	Aggregate amount of payments to these parties (included in item 1.2)	nil	nil
7.2	Aggregate amount of cash flow from loans to these parties (included in item 2.3)	nil	nil
7.3	Include below any explanation necessary to understanding of the transactions included in 7.1 and 7.2		



Financing facilities available

		Amount available		Amount used	
		\$US'000	\$A'000	\$US'000	\$A'000
8.1	Loan facilities	Nil	Nil	n/a	n/a
8.2	Credit standby arrangements	Nil	Nil	n/a	n/a
8.3	Other (please specify)	Nil	Nil	n/a	n/a
8.4	Include below a description of each facility above.				

Estimated cash outflows for next quarter

		\$US'000	\$A'000
9.1	Exploration and evaluation		
	Nong River / Tifalmin project costs	43	61
	Frieda Holding Costs (joint venture costs funded by PanAust)	5	7
9.2	Development	-	-
9.3	Ramu Production – Holding Costs (joint venture costs funded by MCC)	35	49
9.4	Staff costs	445	628
9.5	Administration and corporate costs	500	705
9.6	Other	-	-
9.7	Total estimated cash outflows	1,028	1,450

Changes in mining tenements (items 2.1(b) and 2.2(b) above)

		Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements lapsed, relinquished or reduced		Refer Attachment 1 in Quarterly Report		
10.2	Interests in mining tenements acquired or increased		Refer Attachment 1 in Quarterly Report		



Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	Preference + securities (description)				
7.2	Issued during quarter				
7.3	+ Ordinary securities	1,092,733,836	1,092,733,836		
7.4	Issued during quarter				
7.5	+ Convertible debt securities (description and conversion factor)				
7.6	Issued during quarter				
7.7	Options (description and conversion factor)	Refer Attachment A		<u>Exercise Price</u>	
	Performance Rights Plan	Nil	Nil	Refer attached	Nil
7.8	Issued during quarter (Performance Rights)	Nil	Nil	n/a	n/a
7.9	Exercised during quarter (Performance Rights)	Nil	Nil	n/a	n/a
7.10	Expired & lapsed during quarter (Options & PR's)	Nil	Nil	n/a	n/a
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	Nil		



COMPLIANCE STATEMENT

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

(Director/Company Secretary)

Date: 26 April 2019

Print name: **S MOSER**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.



ATTACHMENT A

HIGHLANDS PACIFIC LIMITED APPENDIX 5B – ITEM 7.7

PERFORMANCE RIGHTS (DESCRIPTION AND CONVERSION FACTOR)

No Performance Rights exercised during the quarter.

No Performance Rights were issued during the quarter.

No Performance Rights lapsed during the quarter.