



17 May 2019

IMPLEMENTATION OF SCHEME OF ARRANGEMENT

Highlands Pacific Limited (ASX/POMSoX: HIG, **Highlands**) confirms that the scheme of arrangement in relation to the acquisition by Cobalt 27 Capital Corp. (**Cobalt 27**) of all the shares in Highlands that it does not already own (**Scheme**) has been implemented today. Accordingly, Cobalt 27 now holds all the shares on issue in Highlands.

SCHEME CONSIDERATION

Shareholders not associated with Cobalt 27 (**Scheme Participants**) will receive the Scheme Consideration of A\$0.105 cash for each Highlands share held at 7:00pm (Sydney time) on the Record Date, Friday, 10 May 2019 (**Scheme Share**).

Scheme Participants, other than those with PNG registered addresses, will be paid the Scheme Consideration in A\$, by cheque or, if the requirements outlined in the Scheme Booklet for receiving payments electronically have been complied with, by electronic funds transfer into an Australian dollar denominated bank account. Shareholders with PNG registered addresses will be paid the PNG Kina equivalent of the scheme consideration¹, by cheque or, if the requirements outlined in the Scheme Booklet for receiving payments electronically have been complied with, by electronic funds transfer into a PNG Kina denominated bank account.

Scheme Participants will receive an additional contingent scheme consideration payment of A\$0.01 per Scheme Share if, before 31 December 2019, the closing spot price of nickel² exceeds US\$13,220 per tonne over a period of 5 consecutive trading days.

DIRECTOR CHANGES

With effect from the implementation of the Scheme:

- Ron Douglas has resigned as a director of Highlands;
- Sylvie Moser and Erik Anderson have resigned as Company Secretaries of Highlands; and
- Justin Cochrane has been appointed as a director of Highlands.

¹ Calculated at an exchange rate of 1 AUD = 2.3607 Kina.

² Determined as the mid-point of the London Metal Exchange Official Closing Cash Bid and Cash Offer prices.



DELISTING OF HIGHLANDS FROM ASX AND POMSoX

Trading in Highlands shares on the Australian Securities Exchange (**ASX**) and Port Moresby Stock Exchange (**POMSoX**) was suspended from the close of trading on Friday, 3 May 2019. Highlands intends to apply to have quotation of its shares terminated and for Highlands to be removed from the official list of the ASX and POMSoX with effect from close of trading on Monday, 20 May 2019.

SHAREHOLDER INFORMATION LINE

Highlands shareholders who have questions in relation to the Scheme should contact the Highlands Shareholder Information Line on 1300 352 248 (within Australia) or +61 3 9415 4125 (outside Australia), Monday to Friday between 8.30am to 5.00pm (AEST/Port Moresby time).



ASX Code: HIG

POMSoX Code: HIG

Shares on Issue: 1,093 million

Performance Rights: Nil

Directors

Craig Lennon, MD/CEO

Ernie Gangloff

Anthony Milewski

Justin Cochrane

Management

Sylvie Moser, CFO

Ron Gawi, GM Port Moresby

Investor and Media Enquiries:

Joe Dowling,

Stockwork Corporate

0421 587 755

Website:

www.highlandspacific.com

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 that 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).

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%.