



2 March 2017

CORPORATE UPDATE

Special Meeting

Highlands Pacific Limited (ASX:HIG) will convene a special meeting of shareholders in Port Moresby on 18 May 2017, the same day as the Company's Annual General Meeting. The special meeting has been called in response to the requisition received from PanAust Ltd, a wholly-owned subsidiary of the Chinese government owned Guangdong Rising Assets Management Co Ltd (**GRAM**), which holds a 14% interest in the Company.

GRAM is seeking to replace four of your five Independent Non-Executive Directors with three of its own nominees at the special meeting.

Your current Directors, including the Chairman who is retiring in March, strongly believe that **GRAM's proposed changes to the Board would not be in the interests of the Company**. All Directors, including the one Independent Non-Executive Director and Managing Director whom GRAM has not sought to remove, recommend that you **VOTE AGAINST** GRAM's proposed appointments at the upcoming meeting.

Shareholders will be receiving a notice of meeting with additional material shortly.

Highlands has appointed Grant Samuel as financial adviser and Jones Day as legal adviser.

Frieda River Project

Highlands initiated a process in December 2016 to explore options to maximise the value of its 20% interest in the Frieda River Project, including a potential sale. Highlands has engaged Cutfield Freeman & Co to assist in this process. The process remains at an early stage but progress has been positive. No decision has been made to sell Highlands' interest and Highlands will continue to work towards a development path for the Frieda River project that optimises value for all Frieda River stakeholders.

As Highlands' joint venture partner, GRAM has been previously notified of this process. GRAM has pre-emptive rights in respect of any sale of Highland's 20% interest in the Frieda River Project.

For further information, please contact:
Joe Dowling, Stockwork Corporate Communications
0421 587 755



ASX Code: HIG
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Shares on Issue: 936 million
Performance Rights: 17 million

Directors

Ken MacDonald, Chairman
 Craig Lennon, Managing Director
 Mike Carroll
 Dan Wood
 Bart Philemon
 Ron Douglas

Management

Sylvie Moser, CFO and Company Secretary
 Ron Gawi, GM Port Moresby
 Leslie Nand, GM Exploration Projects

Investor and Media Enquiries to:

Joe Dowling - 0421 587 755

Website:

www.highlandspacific.com

About Highlands Pacific Limited

Highlands Pacific is a mining and exploration company registered and incorporated in PNG and listed on the Australian and Port Moresby stock exchanges. Highlands has a long history of successful exploration and project development in PNG. The Company was formed in 1997 and has since established an impressive suite of projects providing investors with leveraged exposure to copper, nickel and gold. Its major assets are interests in the producing Ramu nickel cobalt mine and the Frieda River copper gold project, with exploration in progress at the highly prospective Star Mountains tenements. Highlands also has exploration territory on Normanby Island (Sewa Bay), at the south eastern tip of PNG. Through the efforts of its highly experienced staff, the Company is committed to the responsible development of mining projects for the benefit of all its stakeholders, including shareholders, landowners, business partners and the broader PNG community.

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. The Star Mountains project is held within a joint venture with partner Anglo American plc.

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.

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%.