



2017 Annual General Meeting



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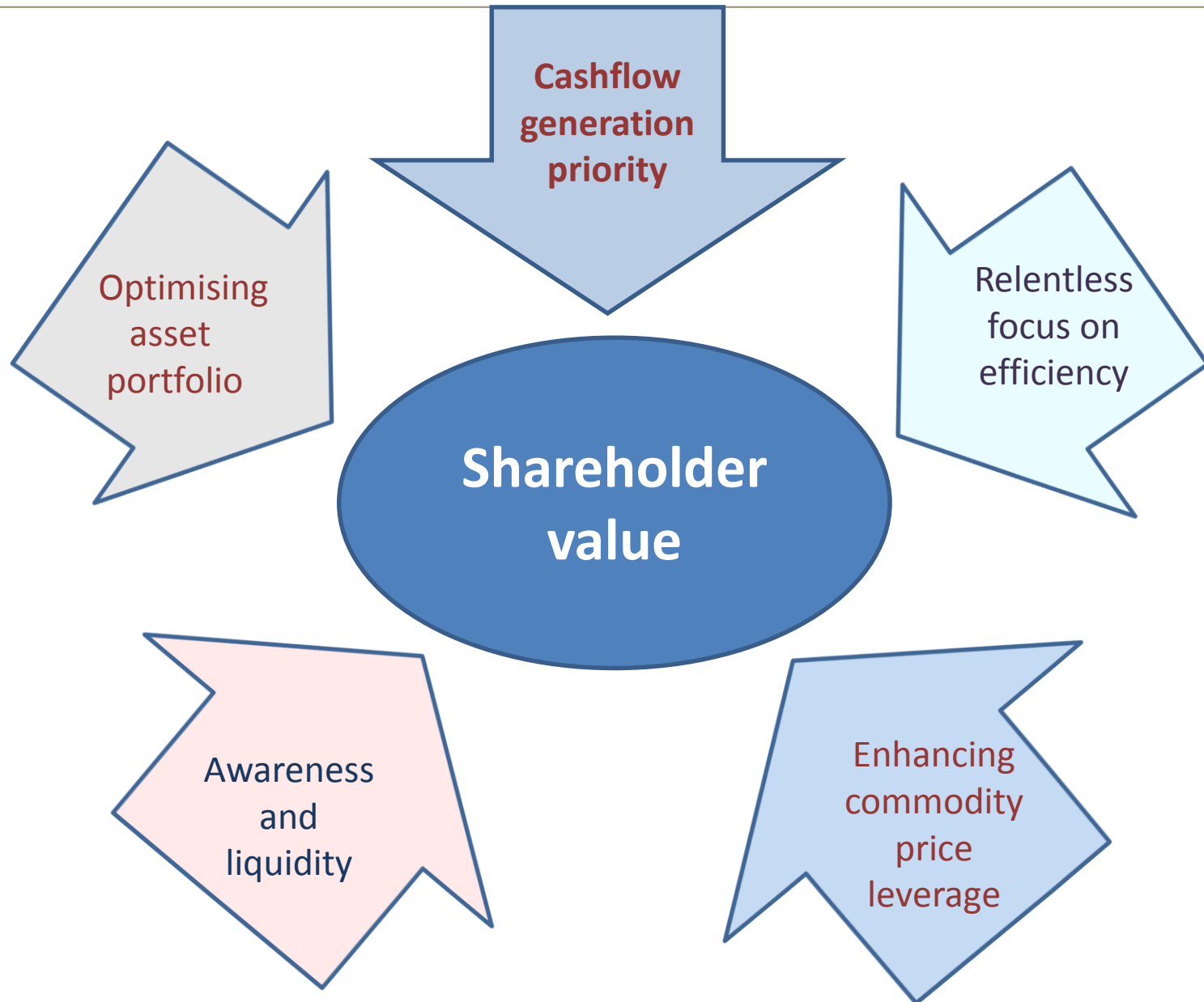
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The Company estimates its reserves and resources in accordance with the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves 2012 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.



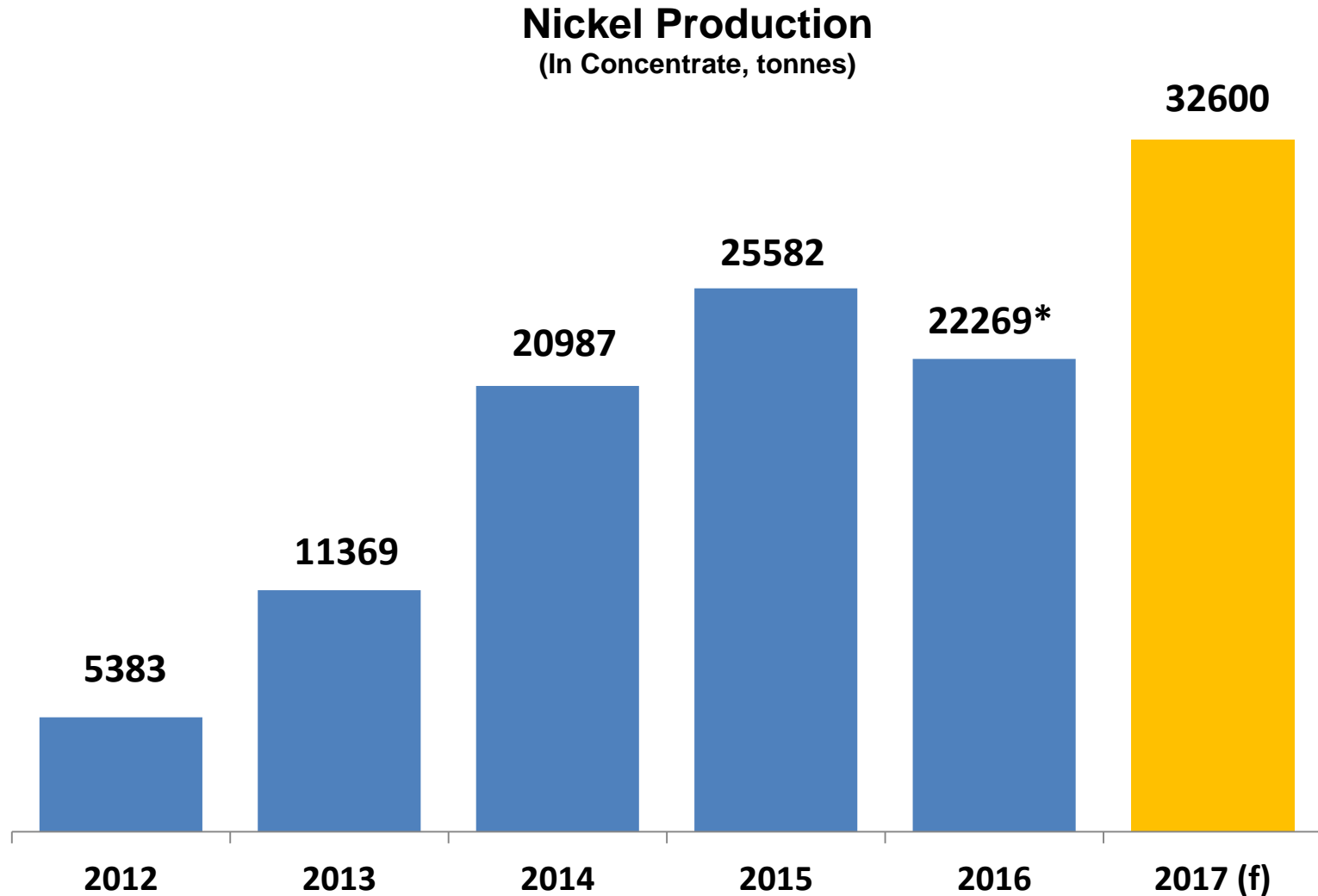
- **Corporate review conducted June 2016**
- **Efficiency measures implemented**
- **Frieda River sale process commenced**
- **Board renewal process commenced**
- **New CEO appointed**
- **Operational progress continuing**
 - ❖ **Star Mountains exploration campaign conducted**
 - ❖ **Ramu achieving record rates of production**
 - ❖ **Frieda River permitting commenced**
 - ❖ **Sewa Bay exploration continuing**



RAMU



Record production forecast 2017

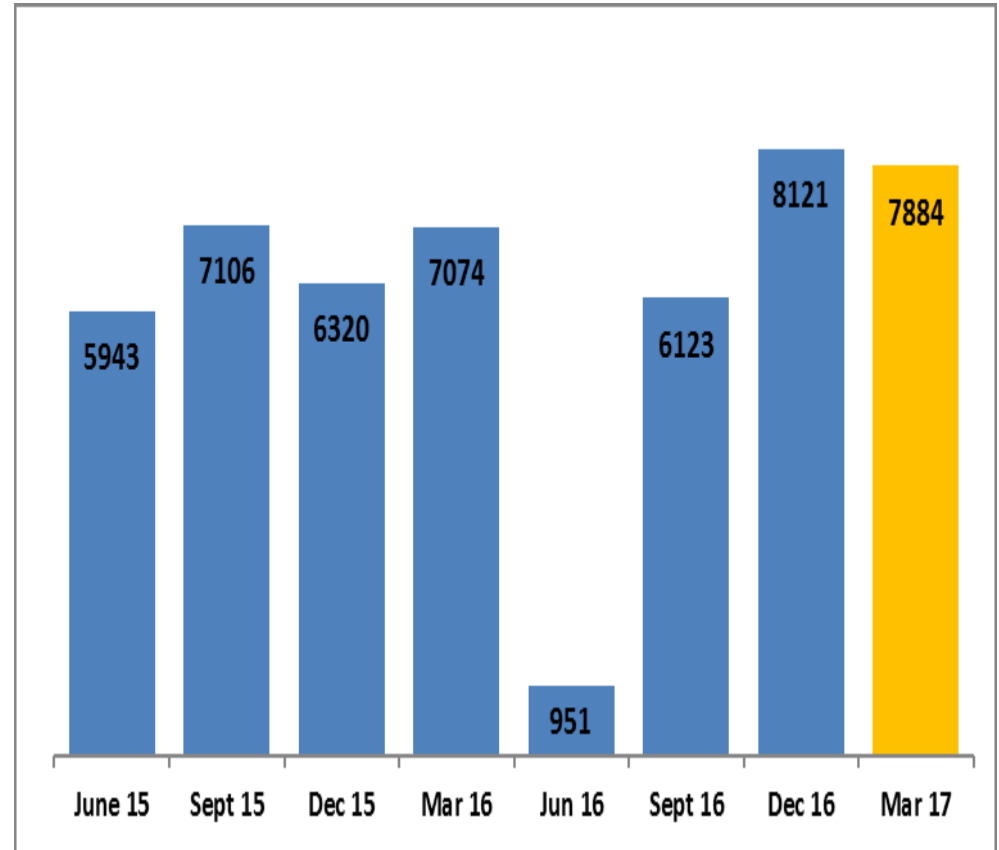


*2016 production affected by plant shutdown

Achieving full production rates



Nickel Production (In Concentrate, tonnes)



*June and Sept 2016 production affected by plant shutdown

Solid corporate citizen



FRIEDA RIVER



Progressing through permitting

- Feasibility study released May 2016.
- Addendum released March 2017 with enhanced economics
- Special Mining Lease application lodged with MRA June 2016
- EIS lodged with CEPA Dec 2016
- Potential production 2024/25
- Mediation for resolution of funding dispute with PanAust/GRAM
- Highlands has commenced process to investigate potential sale of our 20% interest



STAR MOUNTAINS

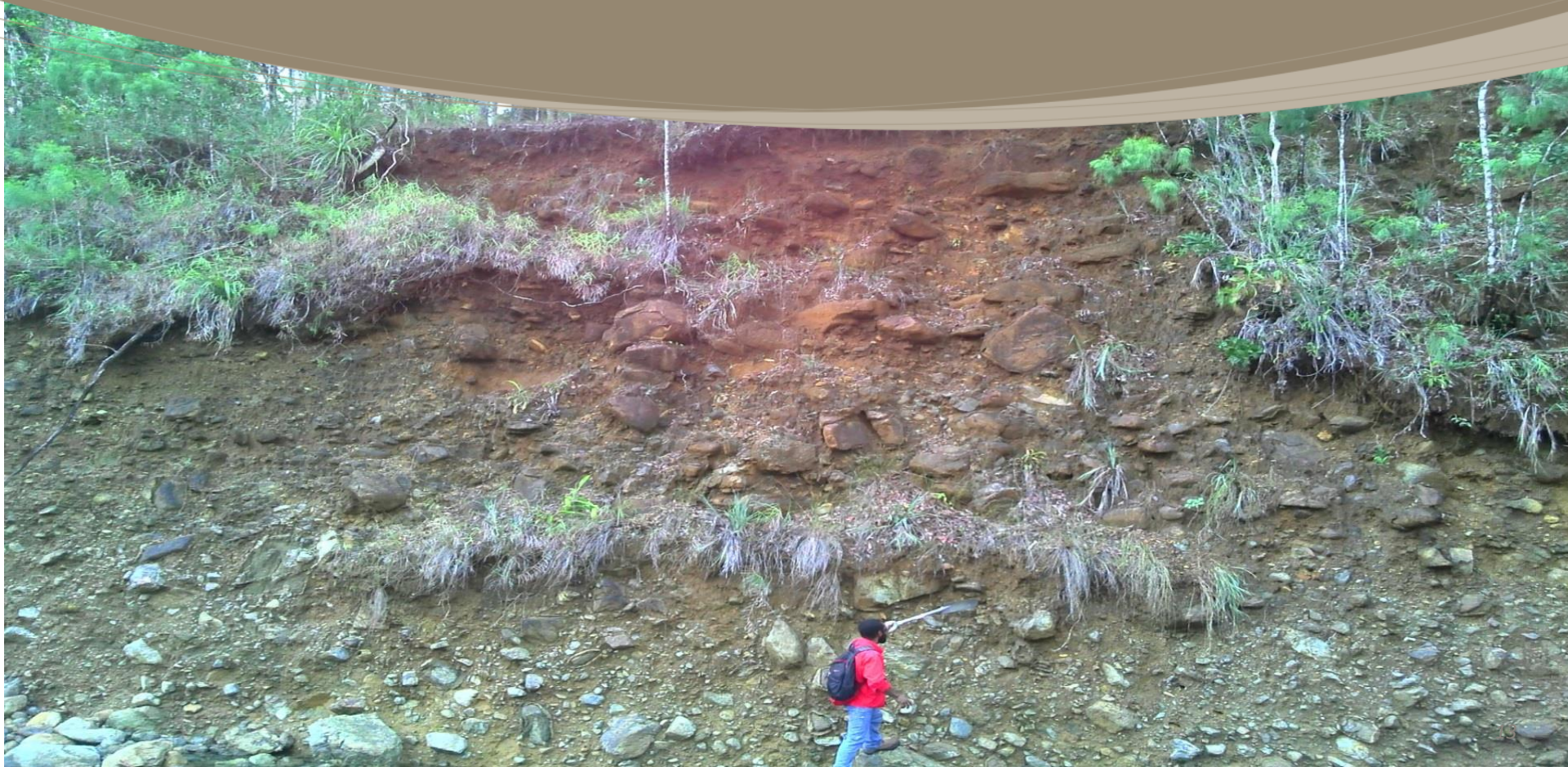


Drilling yielding encouraging results



- **Initial JV drilling campaign completed December, 2015. Nine holes for 5387 metres.**
- **Five hole campaign commenced October, 2016.**
- **Four holes completed for 3300 metres at two targets – Fune and Unfin.**
- **Fifth hole commenced.**

Sewa Bay

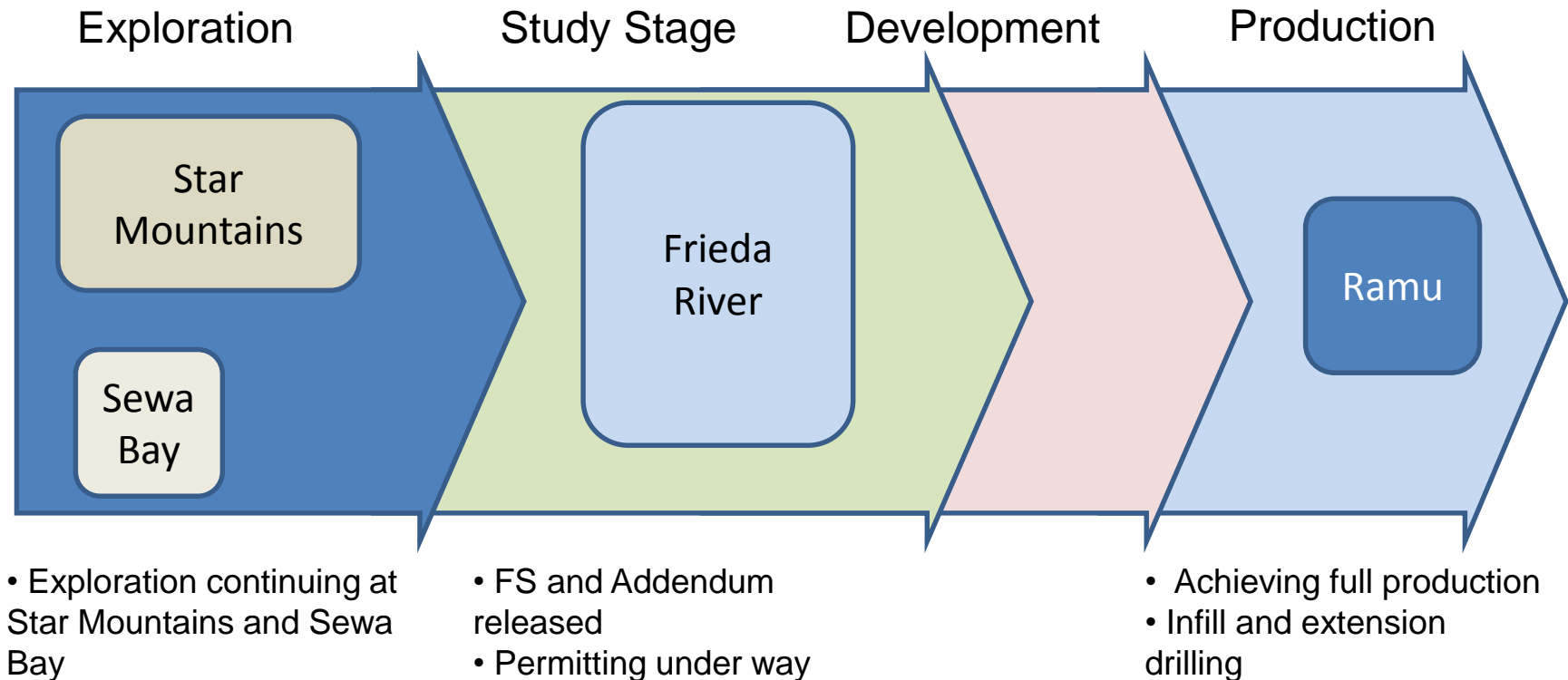


Nickel laterite exploration upside

- **LIDAR program completed**
- **Exploration funded by Sojitz/Pacific Metals**
- **Potential for direct shipping project**



Well established project pipeline



- **Additional projects being actively pursued**
- **Focus on current portfolio commodities**
- **Projects with potential for cashflow generation within near to medium term**

Improved commodity price outlook

Nickel - poised for rebound



Gold – up 7% in 2017



Copper – market deficit in sight



Cobalt – doubled in 12 months



Compelling investment case

Major leveraged exposure to copper, nickel, gold

	Copper (Mt)	Gold (Mozs)	Nickel (lbs Mn)	Cobalt (lbs Mn)
Total Resource Contained Metal	12.7	20.4	2778	278
HIG share	2.6	4.1	238	24





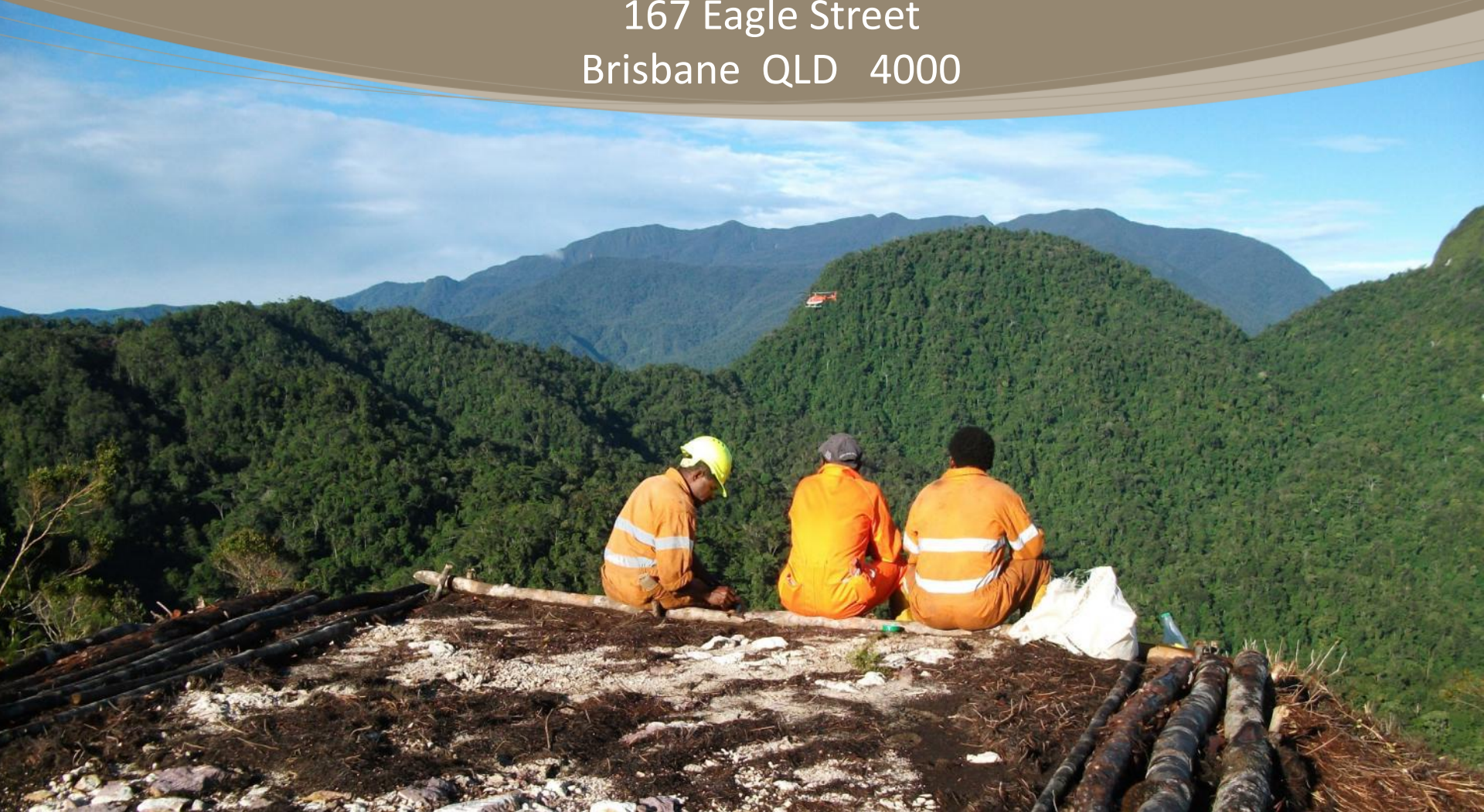
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Frieda River (HITEK) Resource

The Frieda River Copper-Gold Project exploits the HITEK deposit, which is a large-scale porphyry-style copper-gold deposit with low concentrations of deleterious elements. The Mineral Resource estimates are reported under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).

January 2017 HITEK Mineral Resource

Classification	Tonnes (Mt)	Copper (%)	Gold (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).

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".

Competent Person Statement

Mineral Resources

The data in this report that relate to Mineral Resources for Frieda River 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. No additional resource drilling or modelling has taken place for the HITEK deposit since the 2017 Resource and Reserve Report.

Frieda River (HITEK) Ore Reserve

2017 HITEK Ore Reserve estimate

Classification	Tonnes (Mt)	Copper (%)	Gold (g/t)
Proved	413	0.54	0.32
Probable	272	0.45	0.21
Ore Reserves	686	0.50	0.28

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

This Ore Reserve is reported on a 100% ownership basis.

May include minor computational errors due to rounding.

The Frieda River Ore Reserve is estimated at commodity prices of US\$3.30/lb copper and US\$1,455/oz gold subject to a floating value¹ based cut-off grade. The representative average copper only cut-off grade is 0.21% copper.

¹Potential mill feed is determined on a net mill value basis and incorporates the influence of metal recovery, ore processing costs and revenue.

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 “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.

Highlands confirms that for any of the Frieda River Resource and Reserve information 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.

Nena Mineral Resource estimate (copper cut-off grade 0.3%)

Category	MT	Cu(%)	Au(g/t)	As(%)	Sb(ppm)
Indicated	33	2.81	0.65	0.22	153
Inferred	12	1.84	0.45	0.14	88
Total	45	2.55	0.60	0.20	136

Competent Person Statement: Details contained in this report that pertain to the Nena Resource Estimates are based upon, and fairly represent, information and supporting documents compiled by Mr Paul Gow. Mr Gow is a Member of The Australasian Institute of Mining and Metallurgy and was a full-time employee of Glencore Xstrata plc at the time the estimate was prepared. Mr Gow 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 Gow 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 Nena Resource is extracted from the report entitled "Frieda – Mineral Resource and Ore Reserve" created on 14 March 2014 and available on the Company website.

Ramu Mineral Resource

Ramu Mineral Resources (at a 0.5% nominal cut-off and excluding oversize (+2mm)). 31 December 2015

Kurumbukari				
Category	MT	Ni(%)	Co(%)	
Measured	36	0.9	0.1	
Indicated	7	1.4	0.1	
Inferred	4	1.2	0.1	
Total	46	1.0	0.1	
Ramu West				
Category	MT	Ni(%)	Co(%)	
Indicated	17	0.8	0.1	
Inferred	3	1.5	0.2	
Total	20	0.9	0.1	
Greater Ramu				
Category	MT	Ni(%)	Co(%)	
Inferred	60	1.0	0.1	
Global Total	MT	Ni(%)	Co(%)	
	126	1.0	0.1	

Competent Persons Statement: The information in this report that relates to Ramu Mineral Resources is based on information compiled by Mr Larry Queen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Queen was a full-time employee of Highlands Pacific, now a consultant to Highlands Pacific, and has sufficient experience which is relevant to the style of mineralization 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 Queen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ramu Ore Reserve

Ramu Ore Reserve. 31 December 2015

Kurumbukari				
Category	MT	Ni(%)	Co(%)	Rocks +2mm MT
Proved	31	0.9	0.1	
Probable	6	1.3	0.1	9
Total	37	1.0	0.1	9

Ramu West				
Category	MT	Ni(%)	Co(%)	Rocks +2mm MT
Proved				
Probable	14	0.9	0.1	
Total	14	0.9	0.1	

Global Total	MT	Ni(%)	Co(%)	
	51	1.0	0.1	9

Competent Persons Statement: Details contained in this report that pertain to the Ramu Ore Reserve Estimate are based upon, and fairly represent, information and supporting documentation compiled by Mr Patrick Smith, a Member of The Australasian Institute of Mining and Metallurgy CP (Min) and a full-time employee of AMC Consultants Pty Ltd. Mr Smith has sufficient experience which is relevant to the style of mineralization 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 Smith 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 mine is extracted from the report entitled: "Update Resources of the Ramu Nickel-Cobalt Operation, PNG" prepared March 2016 and available on the Company website. This information is current to 31 December 2015. Highlands Pacific confirms that the reported Resource and Reserve do not reflect depletion that has occurred since 31 December 2015 because of mining operations. An updated Resource and Reserve is currently being prepared by Ramu NiCo Management (MCC) Limited. A complete update for the Ramu NiCo Mine Resource and Reserve will be released by Highlands Pacific when an update is available from Ramu NiCo Management (MCC) Limited

As far as Highlands Pacific is aware, any changes to the end of 2016 in the reported Ore Reserves for the Ramu mine will reflect depletion of mined areas and some remnant resource sterilized due to rehabilitation and back fill in addition to any adjustments that reflect the changing mining methods and changes in long term commodity prices. In 2016 Ramu Nickel Management Ltd reported production of 2.3MT of laterite grading 1.12% Ni and 0.11% Co from the Kurumbukari mine.

The following statements apply to the Star Mountains exploration results and exploration targets: (1) Mineralised intersections are quoted as down hole widths. The porphyry mineralisation occurs as disseminations and vein stockworks. Drill intersections described in this report are based on core lengths and may not reflect the true width of mineralisation. (2) Collar locations are in UTM Zone 54 co-ordinates using the ADG66 horizontal datum. (3) Drill core is PQ, HQ or NQ size. (4) Assays were carried out on half sawn core. The half core is crushed and pulverized to ~ 180 mesh. 200 gram samples are used for assay. QAQC control samples make up approximately 10% of each batch sent for analysis. The unused half core is stored on site. (5) Samples were analysed at ALS-Chemex in Townsville. Gold is by 50g fire assay and copper by ICP-AES on an aqua regia digest. Samples assaying greater than 0.5% Cu are re-assayed using an ore grade method suitable for higher grade samples. (6) Hole positions are based on surveys of the drill pad. Actual collars are within 10m of stated locations. (7) Copper equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result, nor metallurgical flowsheet considerations. However it is the Company's opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar multi-commodity natured porphyry mines elsewhere in Papua New Guinea. The copper equivalent calculation is intended as an indicative value only. Copper equivalent conversion factors and long-term price assumptions are as follows: Copper Equivalent Formula= $Cu \% + Au(g/t) \times 0.53$; Price Assumptions- Cu (US\$4/lb), Au (US\$1400/oz).

The following statements apply to the Sewa Bay exploration results:

- (i) Mineralised intersections are quoted as down hole width.;
- (ii) The auger holes were sampled using 1m sample lengths. The entire sample was submitted for assay.
- (iii) Locations are in UTM Zone 56 co-ordinates using the AMG66 horizontal datum.
- (iv) Samples were analysed at ALS-Chemex in Townsville. Nickel, cobalt and magnesium by ICP-AES on an aqua regia digest. Samples assaying greater than 1.0% Ni are re-assayed using an ore grade method suitable for higher grade samples.
- (v) Sample locations are based on GPS survey. Actual collars are within 10m of stated locations.

The Potential quantity and grade related to Exploration Targets in this presentation is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource. These exploration target tonnes and grade ranges are considered realistic because they are well within the typical size and grade ranges expected for porphyry copper deposits in this and other south west Pacific island arcs, and are consistent with data for the known porphyry copper deposits already located in Highlands' Star Mountains tenements.

Competent Persons Statement: The exploration results and exploration targets reported here are based on information compiled by Mr L.D. Queen who is a member of the Australasian Institute of Mining and Metallurgy, and who was an employed by Highlands Pacific Limited, now a consultant to Highlands Pacific. Mr Queen has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition". He consents to the inclusion in the report of the matters based on the information compiled by him in the form and context in which it appears.