



3 July 2018

## Highlands streaming transaction update

**Highlands Pacific Limited (ASX:HIG)** is continuing to work towards financial close of its recently announced nickel and cobalt streaming transaction with Cobalt 27 Capital Corp (Cobalt 27).

The substantive outstanding condition is the execution of a clarification agreement between MCC Ramu NiCo Limited (MCC) and Mineral Resources Ramu Limited and Mineral Resources Madang Limited (MRDC) - Highlands' joint venture partners in the Ramu project. MCC has provided support for the transaction and is currently seeking the necessary internal approvals to authorise execution of the clarification agreement. These arrangements contemplate an economic effective date for the transaction of 1 July 2018, irrespective of the timing of financial close.

MRDC has confirmed its support for the transaction and formally advised Cobalt 27 that it wishes to pursue discussions regarding a similar streaming arrangement in respect of their interest in the Ramu project. MRDC is continuing discussions with Cobalt 27 to formalize an agreement. Successful execution of a streaming arrangement with MRDC would result in Highlands Pacific being granted an option to acquire a US\$10 million interest in the stream.

Highlands has also completed the issue of 142.5 million shares to Cobalt 27 effective 4 June 2018 at a price of A10.5 cents per share, raising approximately AU\$15 million, following approval from the PNG Securities Commission under the Capital Market Act. Cobalt 27 is now Highlands' largest shareholder with a 13.04% shareholding and Cobalt 27 Executive Chairman Anthony Milewski has formally been appointed to the Board of Directors of Highlands.

**For further information, please contact:**

**Joe Dowling, Stockwork Corporate - 0421 587 755**



**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  
John Wylie  
Anthony Milewski

**Management**

Sylvie Moser, CFO  
Ron Gawi, GM Port Moresby

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[www.highlandspacific.com](http://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).

**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.

**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.

**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%.

**About Cobalt 27 Capital Corp.**

Cobalt 27 Capital Corp. is a leading electric metals investment vehicle offering exposure to metals integral to key technologies of the electric vehicle and battery energy storage markets. The Company owns 2,982 Mt of physical cobalt and is acquiring the world's first producing cobalt nickel stream on the low-cost, long-life Ramu Nickel-Cobalt Mine and a cobalt stream on Vale's world-class Voisey's Bay mine beginning in 2021 including the announced underground expansion. The Company also manages a portfolio of eight royalties and intends to continue to invest in a cobalt-focused portfolio of streams, royalties and direct interests in mineral properties containing cobalt, while potentially adding to its cobalt physical holdings when opportunities arise.