

Securities Act 1997.

Section 116(2)

Form 4.**NOTICE OF CHANGE IN SUBSTANTIAL SHAREHOLDING.**

- Note:* To be given to the company, the stock exchange on which it is listed and the Securities Commission by a person who is a substantial shareholder where there is a change of 1% or more in the relevant interests of the person. This form must be given within two days after the person becomes aware of the change. Use a separate form for each substantial shareholder that has a change of 1% or more in their relevant interests. Use a Form 5 where the person ceases to be a substantial shareholder as a result of the change.

1. Name of listed company.

Highlands Pacific Limited

Note: Insert the name of the listed company in which the substantial shareholding is held.

2. Name of stock exchange.

POMSoX, ASX

Note: Insert the name of the stock exchange on which the company is listed.

3. Details of person that is a substantial shareholder.

Given names (natural persons only)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
	PanAust Limited ACN 011065160 and each of its related bodies corporate ("Subsidiaries") that are named in Annexure A	Level 1, 15 James Street, Fortitude Valley, Queensland Australia 4006	PO Box 2297 Fortitude Valley Business Centre, Queensland Australia

4. Date of change in relevant interest.

1 September 2014

Note: Insert the date of the change of the relevant interest of the person named at Item 3 in the listed company at Item 1, not the date on which the person became aware of the change.

5. Date of last notice given by substantial shareholder.

7 November 2013

Note: Insert the date on which the person named at Item 3 last gave a notice in accordance with Section 115, 116 or 117 of the Act in relation to the voting shares i.e. a Form 3, 4 or 5.

6. Voting shares in which a relevant interest is held.

	Number of shares	% of shares in company
Voting shares before the change.	64,432,990	7.5%
Voting shares after the change.	128,865,980	14%

Note: Insert the number and percentage of voting shares in which the person has a relevant interest, before and after the date in Item 5. The terms "voting shares" and "relevant interest" are defined in Sections 112 – 114 of the Act.

7. Total number of voting shares issued by the listed company.

	Before the change.	After the change.
Total number of voting shares issued.	854,261,346	918,694,336

Note: Insert the total number of voting shares issued by the listed company used for the purpose of calculating the percentages in Item 6.

8. Particulars of relevant interests after the change.

	Details for class of shares.
Class of voting shares in which relevant interests now held.	Ordinary shares
Name(s) of registered holder(s).	PanAust SPV2 Pte Ltd Registration number: 201328908Z
Brief description of the nature of the relevant interests in the voting shares.	<p>PanAust SPV2 Pte Ltd – beneficial owner of the voting shares (s113(1)(a) of the Act)</p> <p>PanAust Limited and PanAust Holdings Pte Ltd – power to acquire or dispose of the voting shares (s113(1)(d) of the Act)</p> <p>The Subsidiaries – related body corporate of an entity that has a relevant interest (s113(3) of the Act)</p>
Brief description of the transaction under which the relevant interests changed e.g. purchase/sale on stock exchange.	Issue of shares in accordance with Share Placement Agreement between PanAust SPV2 Pte Ltd and Highlands Pacific Limited dated 31 October 2013
Number of voting shares affected by the transaction.	64,432,990
The consideration for the transaction (Kina).	A\$5,000,000 (approximately K11,474,000)
Name of the other party to the transaction (if known).	Highlands Pacific Limited

* This information is not required where the transaction took place on a stock exchange. Otherwise, if not known, insert "unknown".

9. Details of other person(s) giving a notice for the same transaction.

Given names (natural persons only)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
N/A	N/A	N/A	N/A

Note: If known, insert the name and address of any person(s) believed to have given, or to be intending to give, notice, whether a Form 3, 4 or 5, in relation to the transaction to which this notice relates. If not known, insert "unknown".

10. Details of any associate with a relevant interest in the voting shares after the change.

Given names (natural persons only)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
	Each of the Subsidiaries that are named in Annexure A	c/- PanAust Limited Level 1, 15 James Street, Fortitude Valley, Queensland Australia 4006	c/- PanAust Limited PO Box 2297 Fortitude Valley Business Centre, Queensland Australia

Nature of Association: Controlled related bodies corporate of PanAust Limited

Details of Relevant Interest of Associate: 128,865,980 ordinary shares in Highlands Pacific Limited

Note: Provide the name and address of each associate of the person submitted this notice who has a relevant interest in voting shares in the company, and the nature of the association with the associate and the details of the relevant interest of the associate.

11. Prescribed particulars of any agreement under which substantial shareholding changed.

Date of any agreement	Material terms of any agreement (whether written or oral)
31 October 2013	Share Placement Agreement between PanAust SPV2 Pte Ltd and Highlands Pacific Limited, a copy of the announcement setting out the terms of the subscription is included in Annexure B

Note: Provide the details of the material terms of any agreement, whether written or oral, and the details of the material terms of any relevant agreement through which a relevant interest, the subject of the notice, was changed. True copies of the documents must be submitted with this form.

12. The following documents must be submitted with this form -


- A. A true copy of any document setting out the material terms of any agreement that –
- (a) contributed to the person having to submit this form;

- (b) is in writing or in a document in which the material terms of an oral agreement have been reduced to writing in accordance with Section 40(5)(c) of the Regulation; and
 - (c) is readily available to the person submitting the notice; or
- B. Where a document in Paragraph A is not readily available to the person submitting this form, a memorandum in writing detailing the material terms of the document.

The number of pages that accompany, or are annexed to, this notice is 4 pages.

13. Declaration.

I declare that to the best of my knowledge and belief the information in this form is true and correct.



Signature: _____

Full Name of Person Signing: Paul Martin Scarr

Role: Company Secretary – PanAust Limited

Date: 1 September 2014

Note: Where this notice is given by a body corporate it must be signed by a director or secretary who is authorised by the board of the body corporate to give the notice. Initials are not sufficient for the full name of the person signing this form.

Annexure A

This is Annexure A of 2 pages referred to in Form 4 (Notice of Change in Substantial Shareholding), signed by me and dated 1 September 2014

Signature:



Name: Paul Martin Scarr

Company Secretary, PanAust Limited

PanAust Limited and its related bodies corporate (Subsidiaries):

Entity Name
PanAust Limited
PanAust Services Pty Ltd
PanAust Exploration Pty Ltd
Pan Mekong Exploration Pty Limited
PNA (Puthep) Pty Limited
Terra Firma Resources N.L.
Masons Hill Gold N.L.
Phu Bia Mining Limited
PanAust Holdings Pte Ltd
PanAust IDO Holdings Pte Ltd
PanAust Chile Holdings Pte Ltd
PanAust SPV1 Pte Ltd
PanAust SPV2 Pte Ltd
PanAust IDO SpA
PanAust South America Services SpA
PanAust Minera IDO Limitada

Inca de Oro S.A.
PanAust Atacama SpA
PanAust Services (Thailand) Company Limited
PanAust Canada Ltd
PanAust Myanmar Pte Ltd
Frieda River Limited (formerly called Xstrata Frieda River Limited)

Annexure B

This is Annexure B of 2 pages referred to in Form 4 (Notice of Change in Substantial Shareholding), signed by me and dated 1 September 2014

Signature:

A handwritten signature in black ink, appearing to read 'P. M. Scarr', with a stylized flourish at the end.

Name: **Paul Martin Scarr**

Company Secretary, PanAust Limited



ASX ANNOUNCEMENT

25 August 2014

PanAust to increase its cornerstone shareholding in Highlands

PanAust is pleased to announce that it has exercised its option under the Share Placement Agreement (announced on 1 November 2013) with Highlands Pacific Limited ("Highlands") to subscribe for a further 64,432,990 fully paid ordinary shares in Highlands at a subscription price of \$0.0776/share following the placement on equivalent terms in November 2013.

This will take PanAust's shareholding in Highlands from 7.5% to approximately 14% (128,865,980 shares) of the issued share capital. The share placement is scheduled to take place on 1 September 2014.

The Share Placement Agreement with Highlands related to PanAust's agreement with Glencore plc to acquire Glencore's interest in the Frieda River Copper-Gold Project (a joint venture with Highlands) in Papua New Guinea (PNG). The Frieda River transaction was completed today.

For further information contact:

Investors:

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PanAust Limited

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2013 WINNER
PROJECT DEVELOPMENT
OF THE YEAR



2013 WINNER
SUSTAINABILITY LEADERSHIP
2010/2011 WINNERS
BEST COMMUNITY DEVELOPMENT



2011
LAO PDR LABOUR ORDER CLASS 1
BEST RURAL DEVELOPMENT



2011 WINNER
SOCIAL/COMMUNITY PRESENTED BY
ETHICAL INVESTOR

