



8 January 2015

Star Mountains Joint Venture Agreements to be finalised by 5 February 2014

Highlands Pacific Limited (ASX: HIG) and a wholly owned subsidiary of Anglo American Plc (“Anglo American”) are intending to finalise their proposed joint venture and farm-in agreements for the Star Mountains copper gold project in Papua New Guinea by 5 February 2015.

The proposed exploration and development joint venture was announced on 8 December 2014 with completion initially expected within one month. The timetable has now been extended to enable finalisation of the detailed agreements. The general terms of the proposed joint venture and farm-in remain as announced on 8 December 2014.

As previously advised, Anglo American has completed due diligence on the project and is in the advanced stage of planning a drilling campaign, with exploration to commence in the current quarter.

Highlands’ Star Mountains exploration tenements cover 515 sq kms and are located within the prospective New Guinean Orogenic Belt, which hosts the Grasberg, Ok Tedi, Porgera and Hidden Valley mines, as well as the Frieda deposit. Exploration over the past three years, funded and conducted by Highlands, has identified significant copper and gold mineralisation.



Highland's Pacific projects in PNG

**About the Star Mountains Exploration Tenements:**

The 100% Highlands owned Star Mountains exploration tenements, which include Nong River EL1312, Mt Scorpion EL1781, Munbil EL2001 and Tifalmin EL1392, cover 515 sq kms and are located approximately 20km north east of the Ok Tedi mine and 25kms from the support town of Tabubil, in the West Sepik Province of PNG. Highlands has identified 17 copper gold targets to date and drilled six of these targets, of which all but one encountered mineralisation. Intercepts include:

- 596m @ 0.61% Cu & 0.85g/t Au from 24 m down hole,
- 22m @ 1.42% Cu & 0.57 g/t Au from 146m down hole,
- 68m @ 0.97% Cu & 0.37 g/t Au from 280m down hole.

<http://www.highlandspacific.com/current-projects/star-mountains>

For information about Anglo American, please visit www.angloamerican.com

For further information, please contact:

John Gooding or Craig Lennon
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Joe Dowling
Stockwork Corporate Communications
0421 587 755



ASX Code: HIG

PomSox Code: HIG

Shares on Issue: 919 million

Options on Issue: 7.2 million

Performance Rights: 24.4 million

Directors

Ken MacDonald, Chairman
John Gooding, Managing Director
Mike Carroll
Dan Wood
Bart Philemon

Management

Craig Lennon, CFO & Co.Sec
Larry Queen, Chief Geologist
Peter Jolly, GM Projects
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About Highlands Pacific Limited

Highlands Pacific is a PNG incorporated and registered mining and exploration company listed on the ASX and PomSoX exchanges. Its major assets are interests in the producing US\$2.1bn 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 Muller Range on the border of the Western and Southern Highlands Provinces and on Normanby Island (Sewa Bay).

Star Mountains Prospects*

The Star Mountains exploration tenements, which include Nong River EL1312, Mt Scorpion EL1781, Munbil EL2001 and Tifalmin EL1392, 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 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 Copper/Gold Project*

The Frieda 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. PanAust with the remaining 80% will be responsible for 100% of the costs incurred by the Frieda River Joint Venture to finalise the definitive feasibility study for PanAust's development concept and will appoint and fund the cost of an independent expert to provide a peer review. PanAust will also be responsible for 100% of the costs to maintain the Frieda River project site, assets and community relations programmes up to the point in time of lodgement of the Mining Lease or Special Mining Lease application.

* Subject to the right of the Independent State of Papua New Guinea to acquire up to a 30% equity interest in any mining development in the country.