HIGHLANDS PACIFIC

Annual General Meeting, Port Moresby
May 2015

John Gooding Managing Director & CEO

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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.

Throughout the presentation all figures are quoted in US$ unless otherwise stated

Presentation Agenda

- Events of 2014/2015
- Market that we have been operating in
- Copper and nickel markets
- A brief summary of operations
- Meeting the challenges and looking forward

HIG - Established player growing with PNG

Three world class copper, gold and nickel projects

- FRIEDA RIVER copper-gold project - in feasibility study stage
- RAMU nickel-cobalt mine - in production
- STAR MOUNTAINS copper-gold project - drilling program commenced

- More than 20 years operating history in PNG makes Highlands an ideal project partner
  - Past involvement in the Porgera Gold Mine, Kainantu Gold Mine and various exploration sites all around PNG
  - A reputation for excellent community and government relations
  - Strong and dependable world class JV partners

Highlights of 2014 and early 2015

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Resource update released for Frieda River Project

Resource update released for Ramu Nickel Project

Ramu commissioning continues – 52% production rate achieved in March quarter

Highlands regains 100% of Nong River exploration tenements in Star Mountains

Star Mtns JV negotiations commence

Ramu commissioning continues – 68% production rate achieved in June quarter

Panaust completes Frieda River transaction, acquires 14% of HIG

Analyst site visit conducted to Frieda River

Ramu commissioning continues – 77% production rate achieved in Sept quarter

Trafigura acquires 10% of HIG

Star Mtns JV announced with Anglo American

Ramu commissioning continues – 72% production rate achieved in Dec quarter

Sewa Bay work program announced with Sojitz

Trafigura moves to 16% of HIG

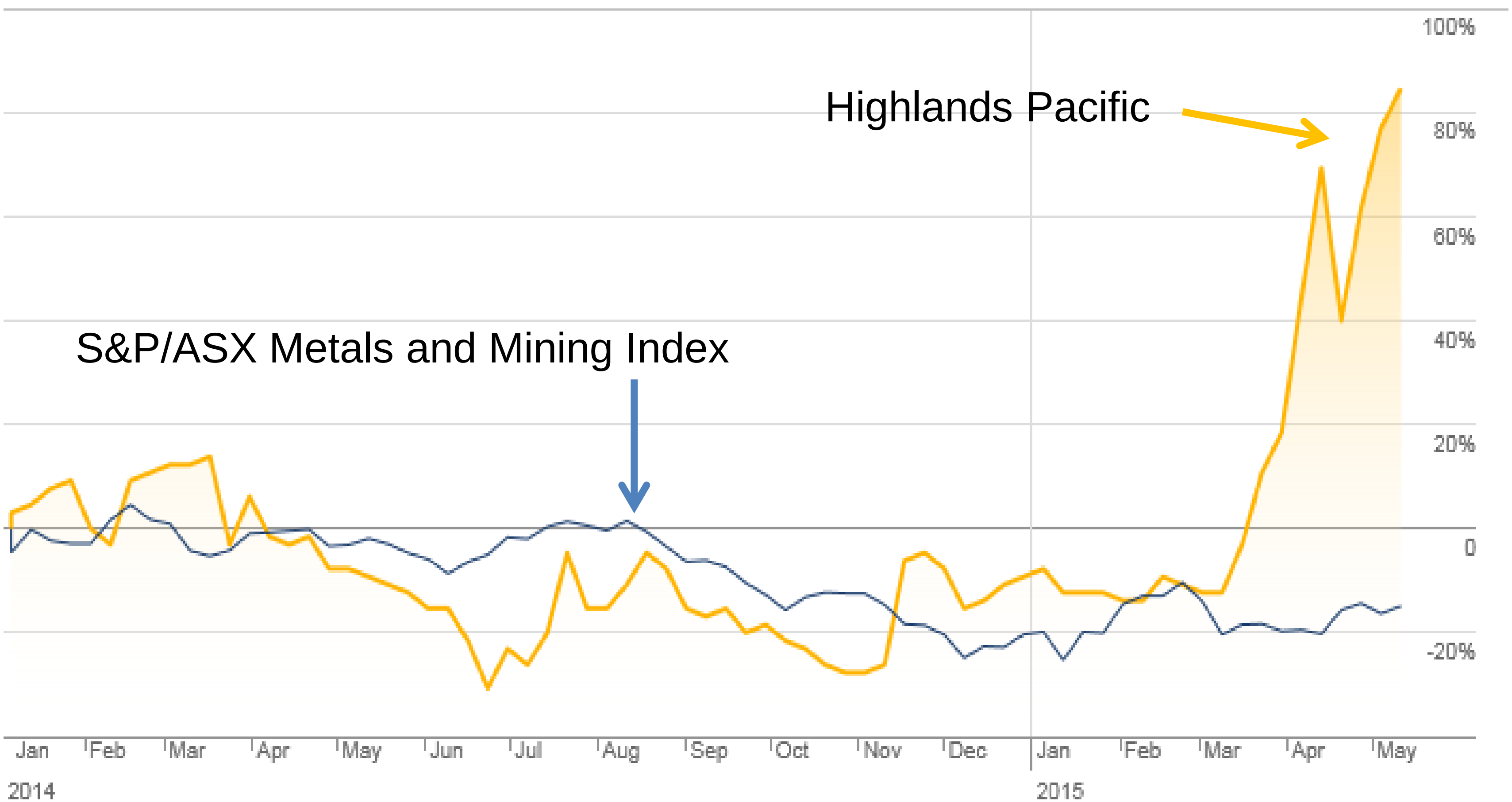
HIG declares Ramu nomination

Ramu commissioning continues – 79% production rate achieved March quarter 2015

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar

Share price performance

HIG share price compared with ASX Metals and Mining Index - from Jan 1, 2014



HIG outperforms competitors

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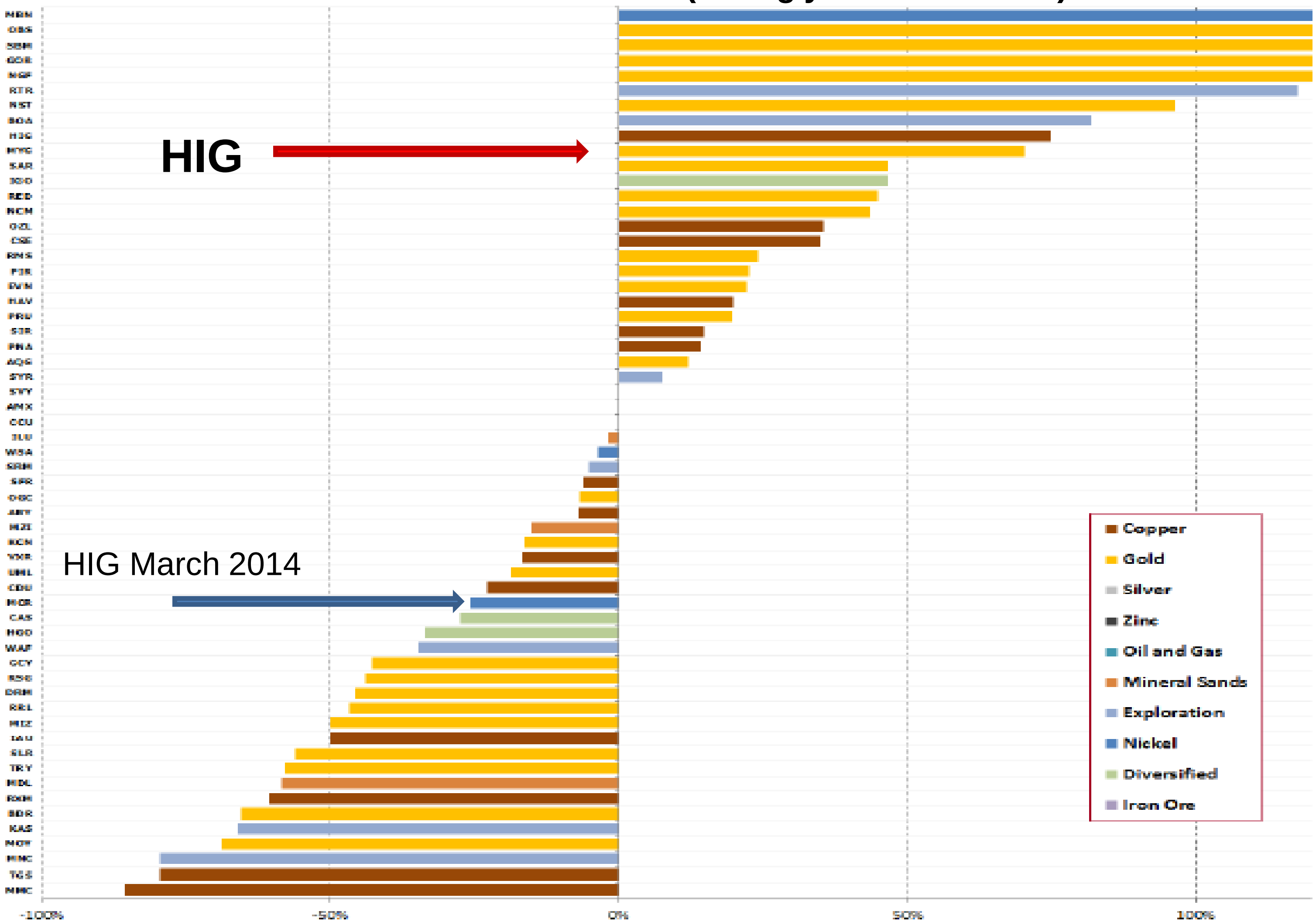
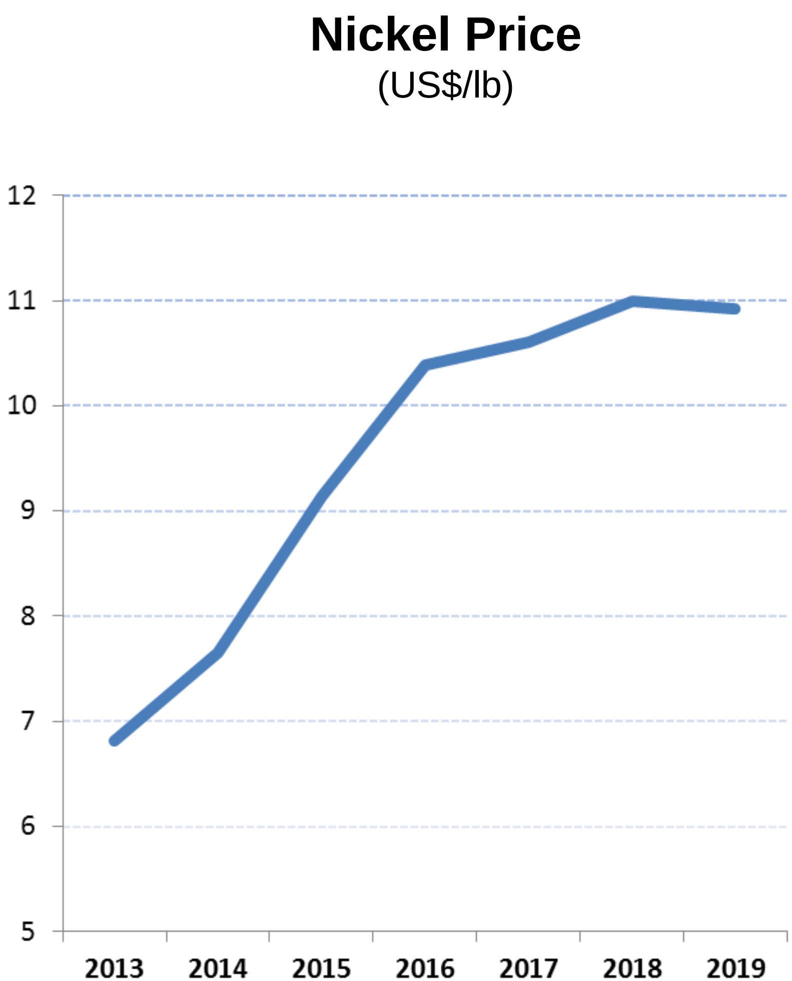
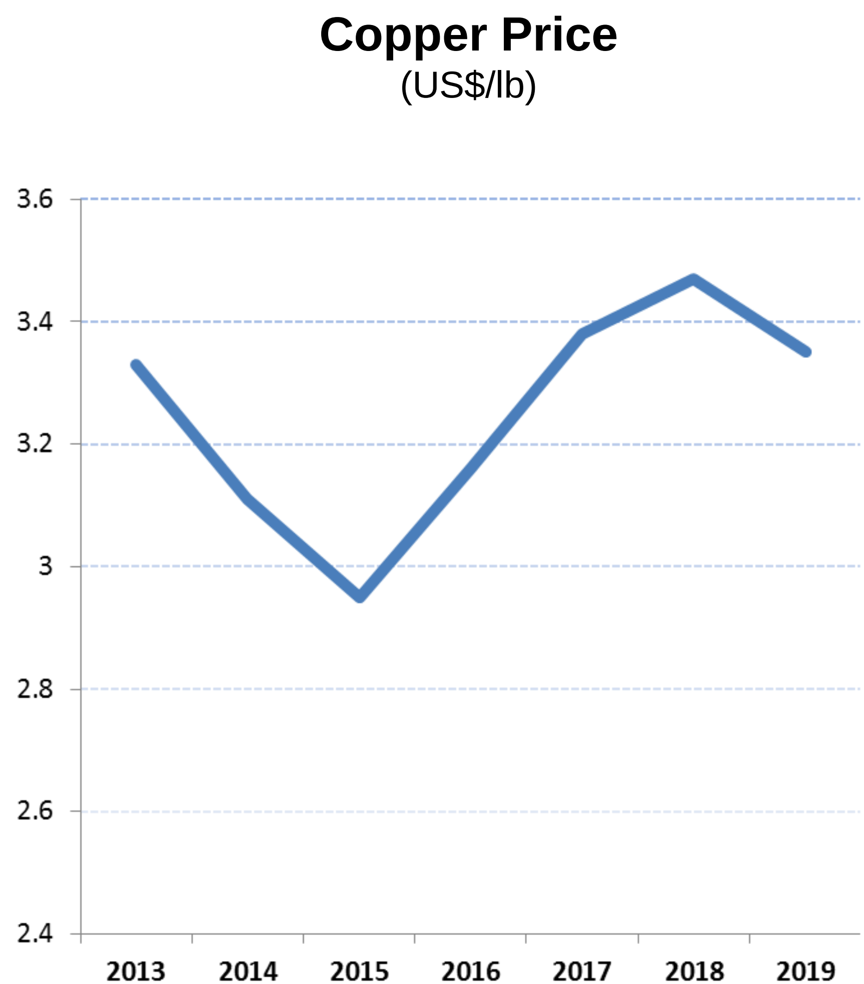
Resource Sector Performance (rolling year March 2015)



Source: IRESS, E&P Research

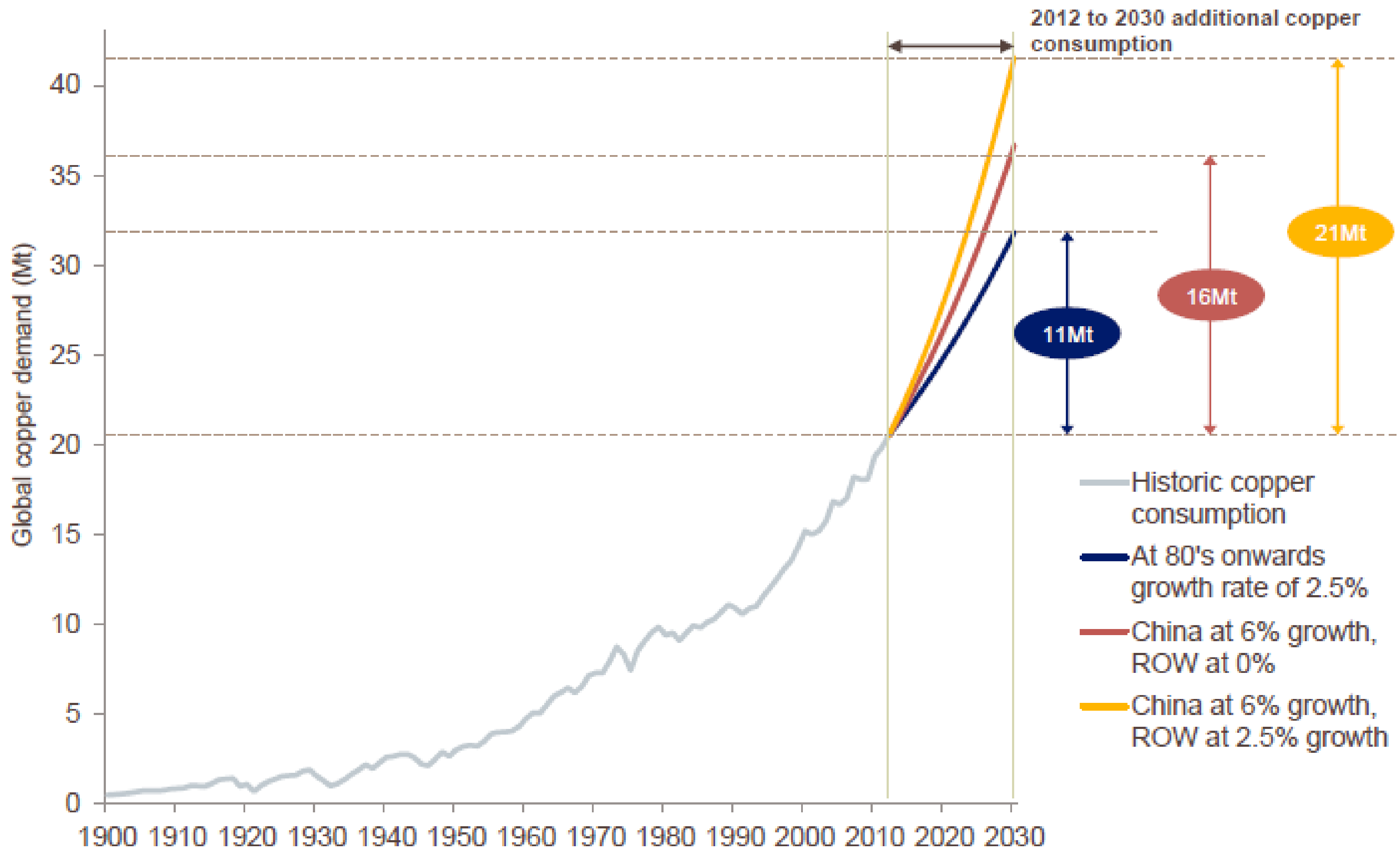
Metal prices forecast to rise





Consensus numbers. Average forecasts from seven international investment houses

Copper demand rising



Source: International Copper Study Group

GLENCORE

Copper deficit looming

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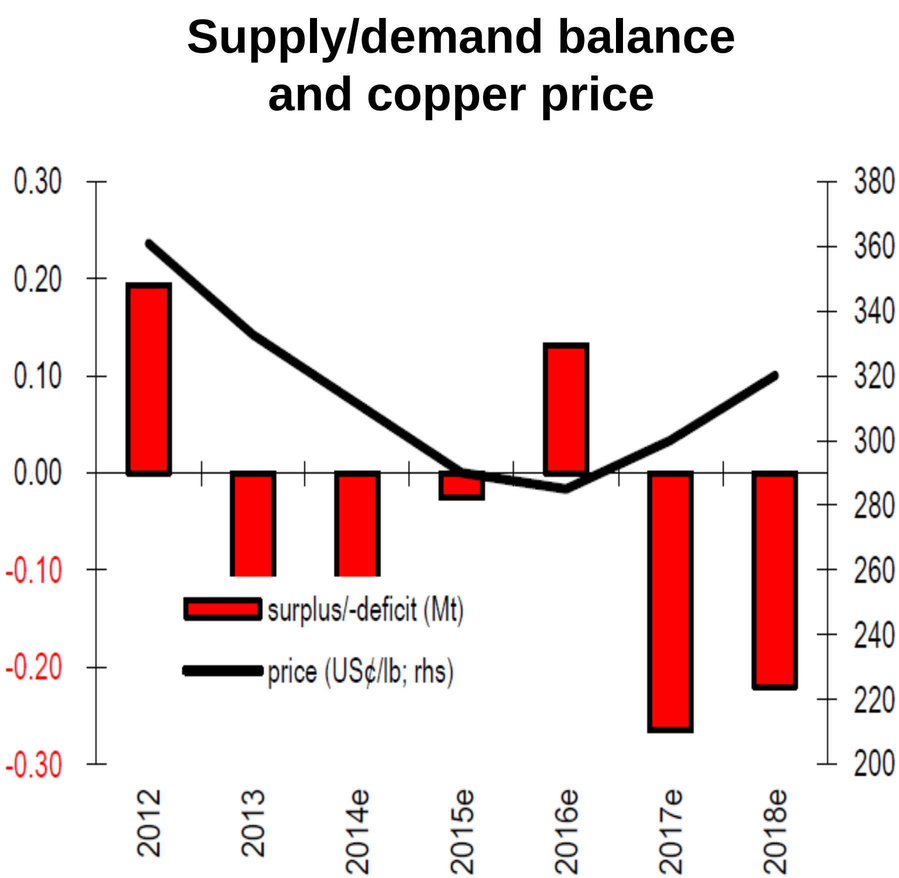


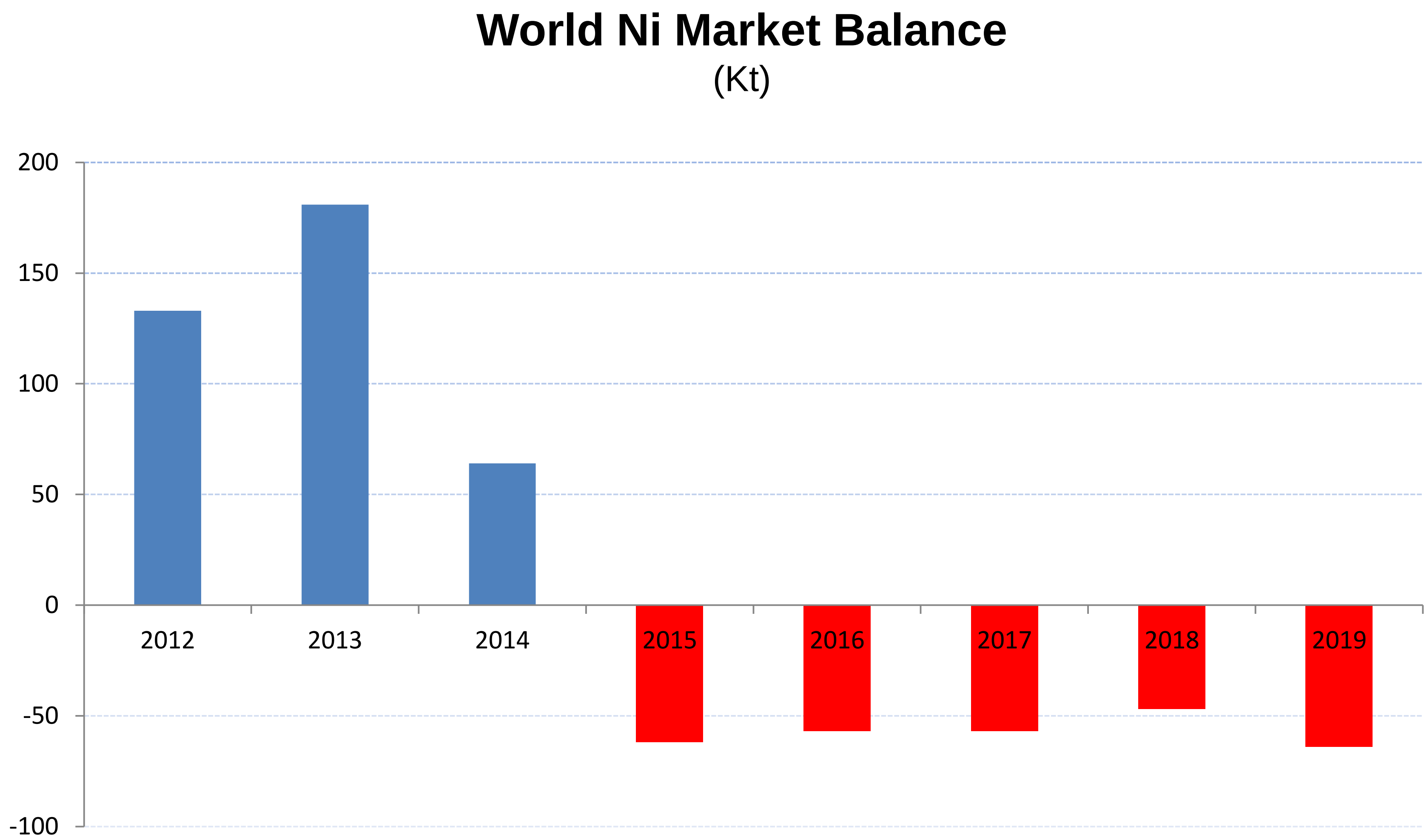
Source: UBS Research; note*: Inventory adjustment for historical years and market balance for future years

- World's population doubled over the last 40 years to ~7B
- Annual increase - 57M
- China accounts for >50% of copper consumption and growing
- Chile - largest known copper reserves
- Chile - 17% of incremental mine growth but costs rising
- Chile C1 costs US$4000/mtCupa (US$1.81/lb) and capex intensity of US$25,000/mtpa capacity

- **Predicted Frieda River C1 costs US$2,865/mt Cu pa (US$1.30-1.40/lb)**

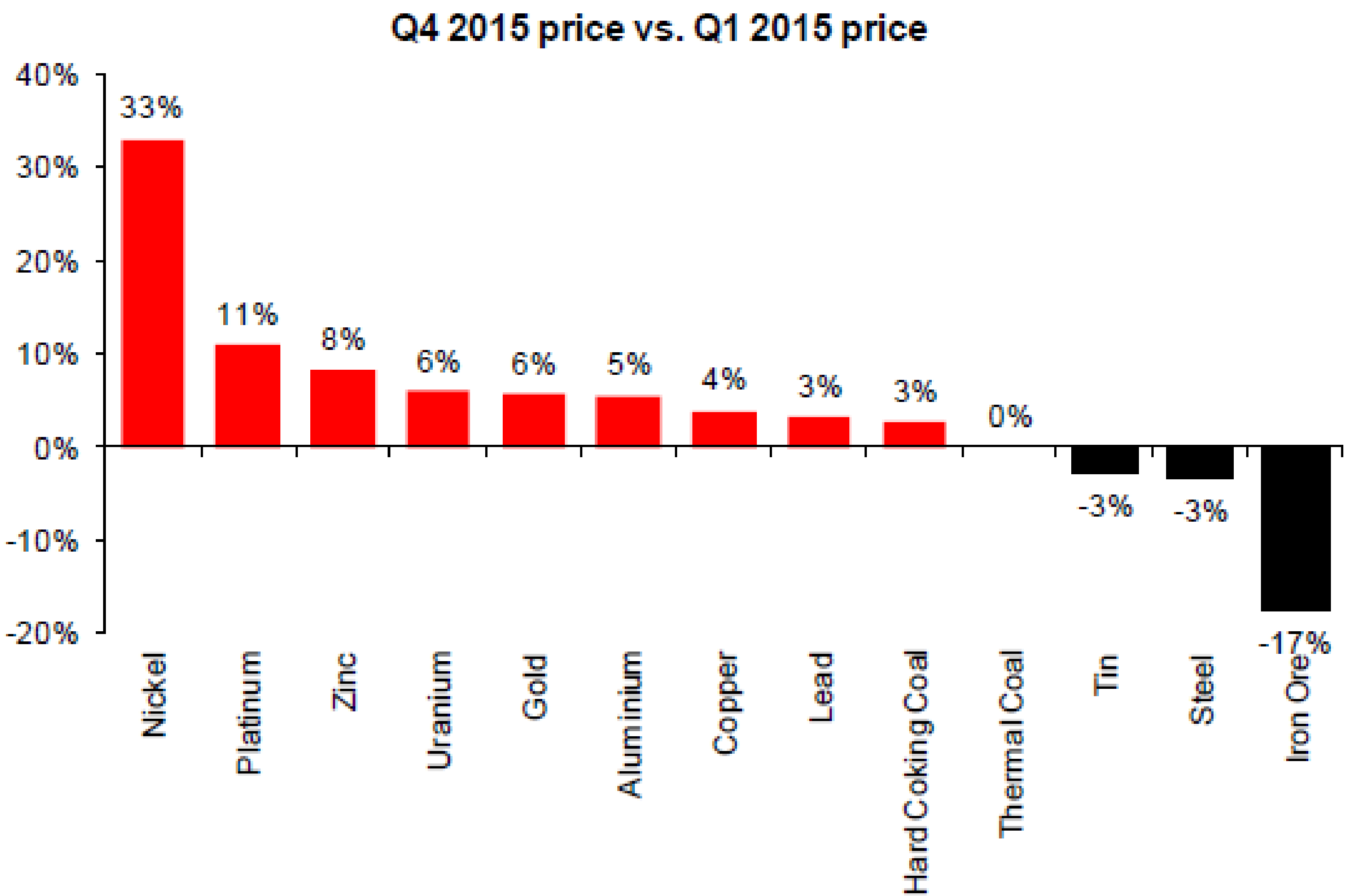
- **Frieda production forecast to start with fall in world supply=higher copper prices**

Nickel market to move into deficit



Source: Macquarie Bank

Nickel to lead price rises in 2015

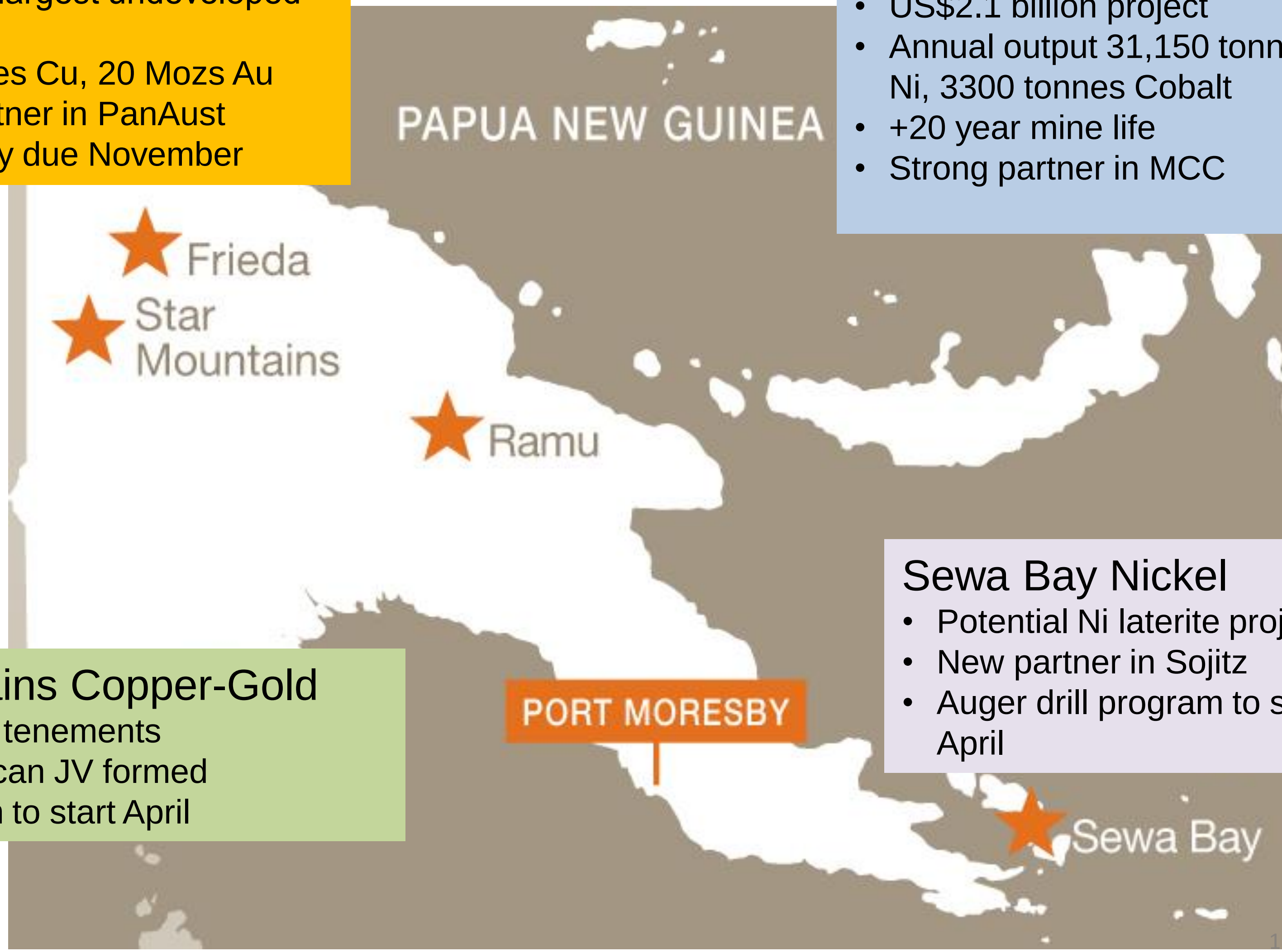


Source: LME, Platts, CRU, Macquarie Research, January 2015

World class project portfolio

Frieda River Copper-Gold
- One of world's largest undeveloped Cu deposits
- 13 million tonnes Cu, 20 Mozs Au
- Committed partner in PanAust
- Feasibility study due November

Ramu Nickel
- US$2.1 billion project
- Annual output 31,150 tonnes Ni, 3300 tonnes Cobalt
- +20 year mine life
- Strong partner in MCC



Sewa Bay Nickel
- Potential Ni laterite project
- New partner in Sojitz
- Auger drill program to start April

Star Mountains Copper-Gold
- 515 Sq Kms tenements
- Anglo American JV formed
- Drill program to start April

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FRIEDA RIVER

Frieda River – World-class copper asset

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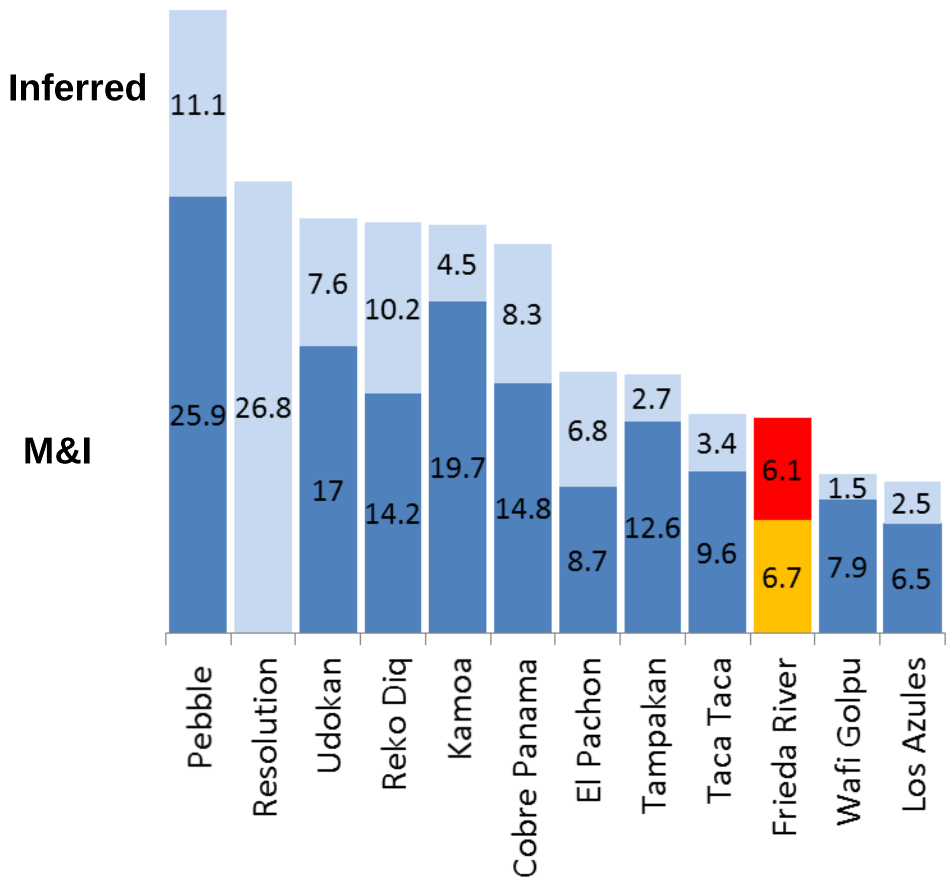
Global Undeveloped copper assets

Contained Cu (Mt)



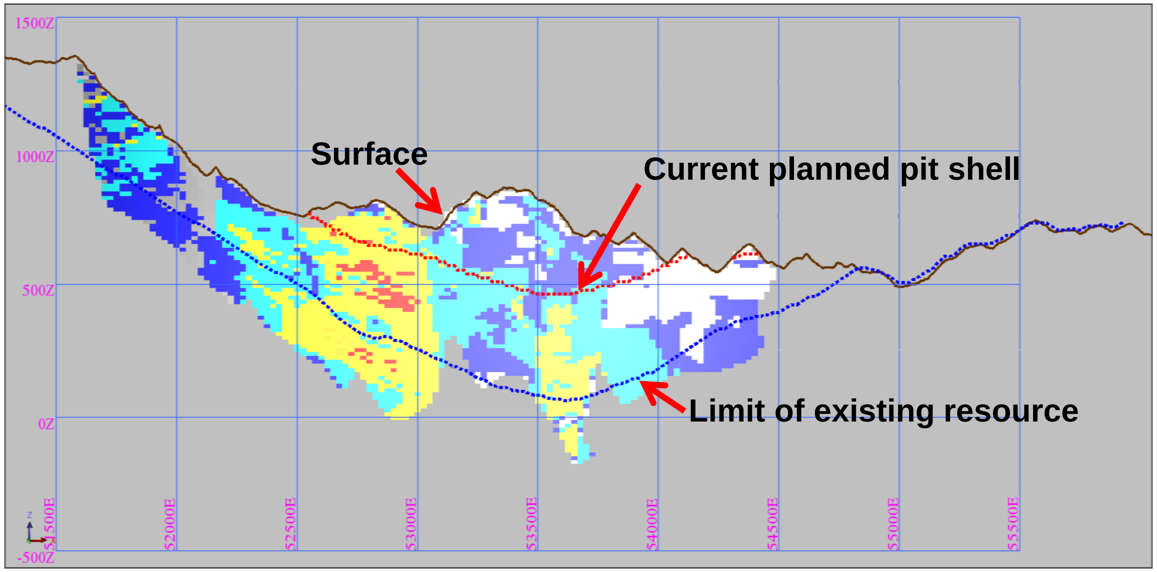
Source: Company reports

Frieda River Resources

Horse-Ivaal-Trukai Mineral Resources (0.2% Cu cut off)					
Category	**MT**	**Cu (%)**	**Contained Cu (Mt)**	**Au (g/t)**	**Contained Au (Mozs)**
Measured	780	0.51%	4.0	0.28	7.0
Indicated	410	0.44%	1.8	0.2	2.6
Inferred	900	0.40%	3.6	0.2	5.8
Total	**2090**	**0.45%**	**9.4**	**0.22**	**14.8**
Nena Mineral Resources (0.3% Cu cut off)					
Indicated	33	2.81%	0.9	0.65	0.7
Inferred	12	1.84%	0.2	0.45	0.2
Total	**45**	**2.55%**	**1.1**	**0.6**	**0.9**
Koki Mineral Resources (0.2% Cu cut off)					
Inferred	452	0.37%	1.7	0.25	3.6
Ekwai Mineral Resources (0.2% Cu cut off)					
Inferred	170	0.38%	0.6	0.23	1.3

Compelling economics

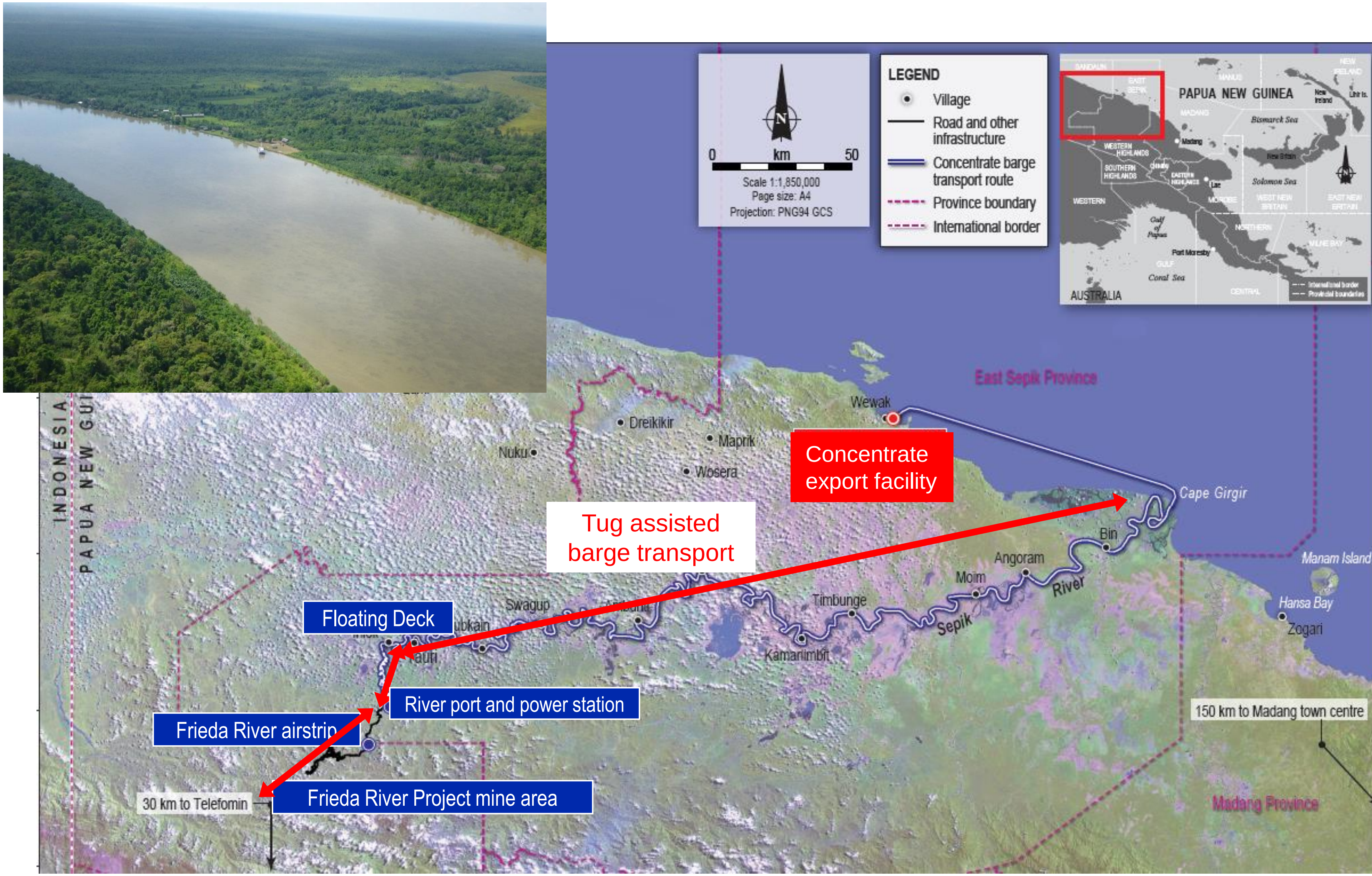
- **Joint venture. PanAust 80%, Highlands 20%**
- **Revised development concept – reduced scale, lower capital cost, less risk, greater certainty**
- **Feasibility study due for completion 2015**



Total Mill Feed	600 Mt @ 0.5% Cu. 0.30 g/t Au
Processing rate	30 Mtpa (av)
Av annual Cu production	125,000 tonnes
Av annual Au production	200,000 ounces
C1 cash cost (assumes US$1300/oz Au)	$1.30 - $1.40 per lb Cu
Project capital cost*	US$1.7 bn
Strip ratio	0.7:1
Mine Life	+20 years

*2013 dollars. Excluding mining fleet and power plant

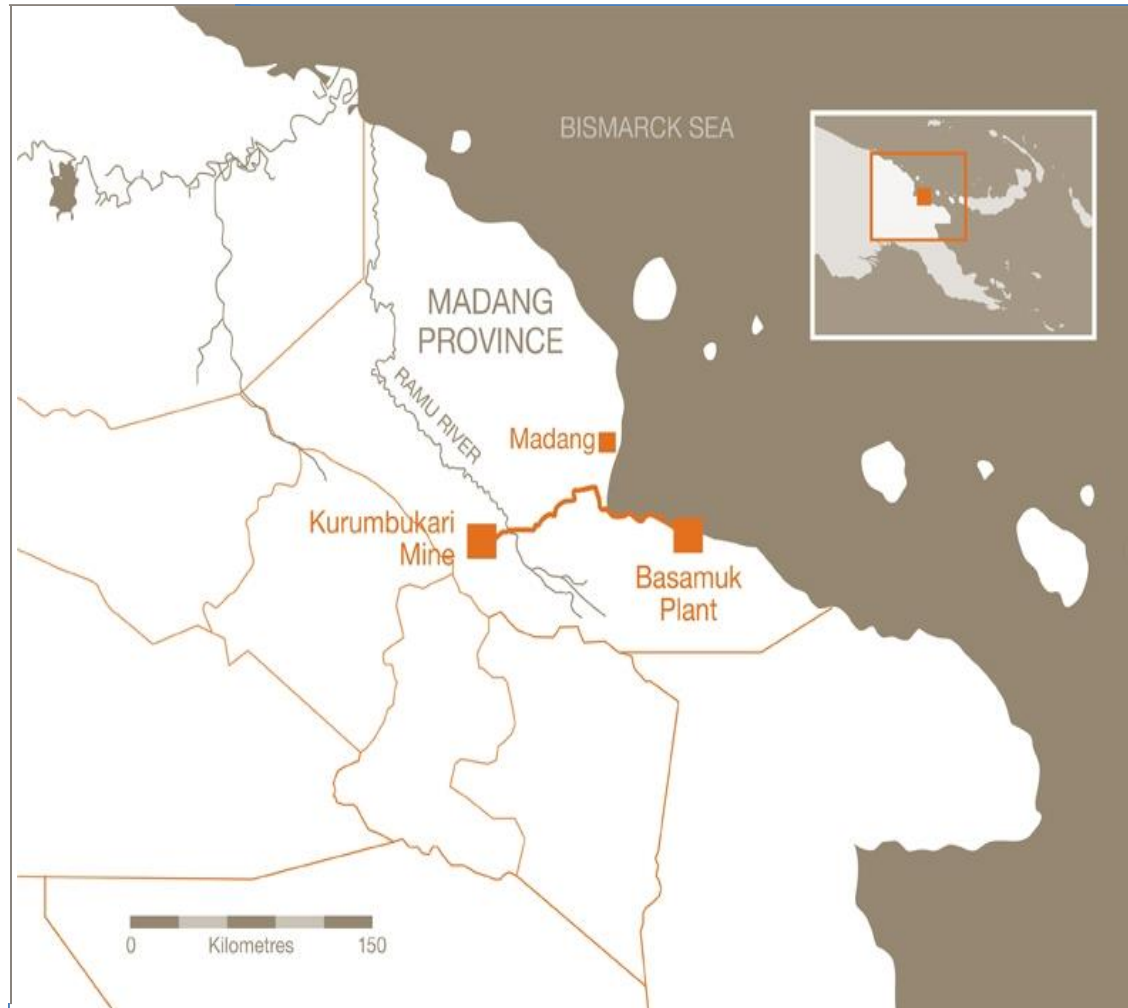
Concentrate barged to port



RAMU

Ramu Nickel – PNG success story

- **Joint venture – Highlands 8.56%, MCC Ramu 85%, PNG Govt and landowners 6.44%**
- **$2.1 billion capex**
- **Nameplate annual production of 31,150 t of Ni and 3300 t Co**
- **Mine at KBK. 135 km slurry pipeline to Basamuk port**
- **Construction 2008**
- **Commissioning 2012**
- **Full production 2016**



Ramu – A PNG success story

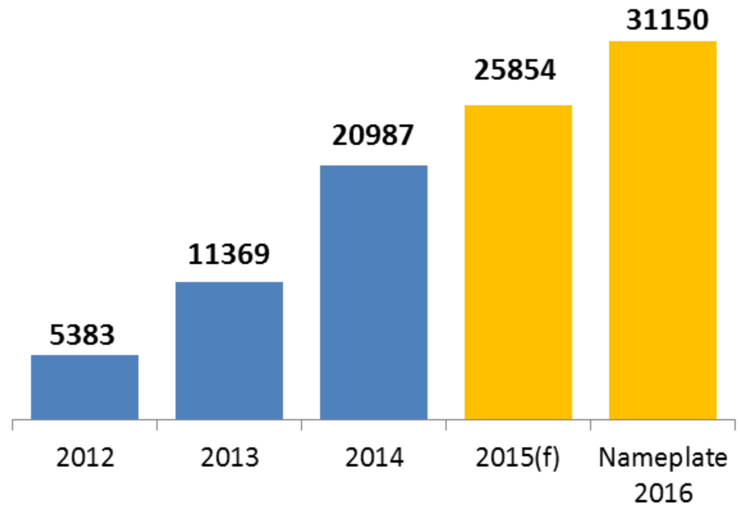
- **Resource: 129 Mt @ 1.0% Ni and 0.1% Co**
- **Reserve: 53 Mt @ 1.0% Ni and 0.1% Co**
- **Mine Life: +20 years at 3.4 Mtpa throughput**
- **Mining: Open pit, free digging**
- **Strip Ratio: Low at 0.28:1**

Ramu – A PNG success story

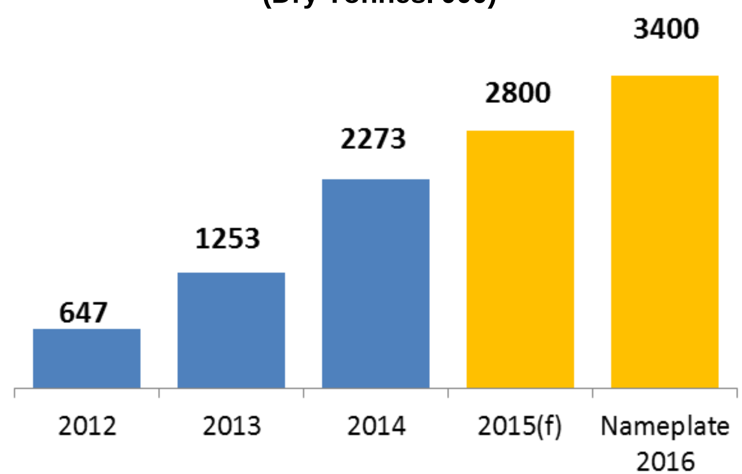
Steadily ramping up production

- Achieved positive cash surplus of in 2014 (incl capex), at 67% of nameplate production
- Highlands to begin receiving share of cash surplus from June, 2015
- 80% of Highlands’ allocation of cash surplus to be applied to reduction in HIG share of project capex (US$86 million)
- Low production cost of ~US10,000/t Ni at nameplate

Nickel Production
(In Concentrate, tonnes)



Ore Processed
(Dry Tonnes. 000)



STAR MOUNTAINS

Star Mountains exploration gearing up

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Joint Venture/Farm-in formed with Anglo American Plc

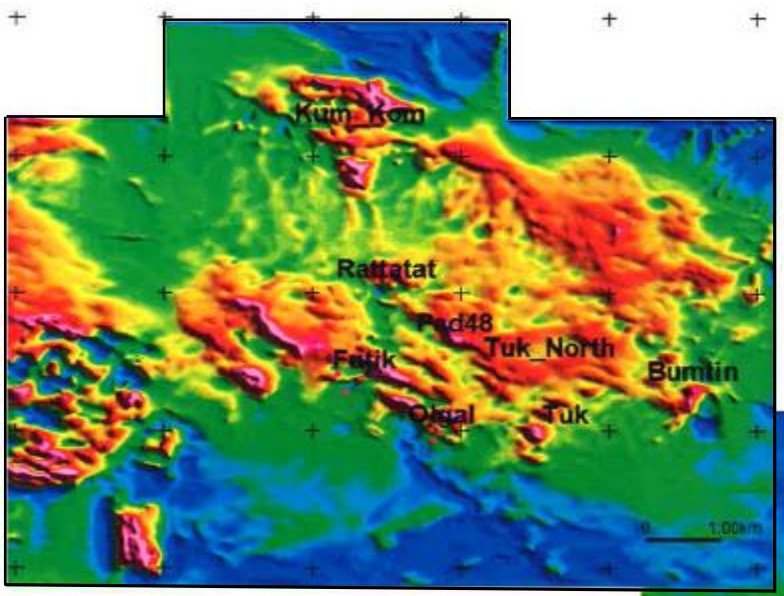
- $US10 million initial payment
- Phase 1 (51%): Anglo to spend US$25 million over four years. Achieve a JORC inferred resource of 3 million tonnes contained Cu in five years
- Phase 2 (80%): Anglo to complete and fund BFS
- Anglo to provide Highlands up to $150 million in project funding as deferred free carry
- 3000 metre, four hole campaign to start April

Previous drilling success

- Olgal 596m @ 0.61% Cu & 0.85g/t Au from 24m
- Kum Kom 22m @ 1.42% Cu & 0.57g/t Au from 146m
- Kum Kom 68m @ 0.97% Cu & 0.37g/t Au from 280m
- Of 6 targets preliminary drilled all but one hit mineralisation

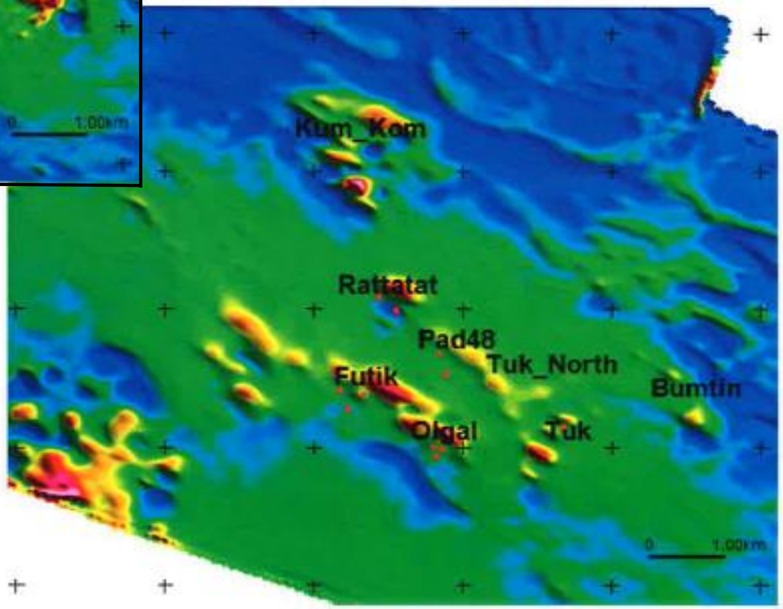
Star Mountains – exciting prospectivity

4 Exploration Licenses, 515sq km's



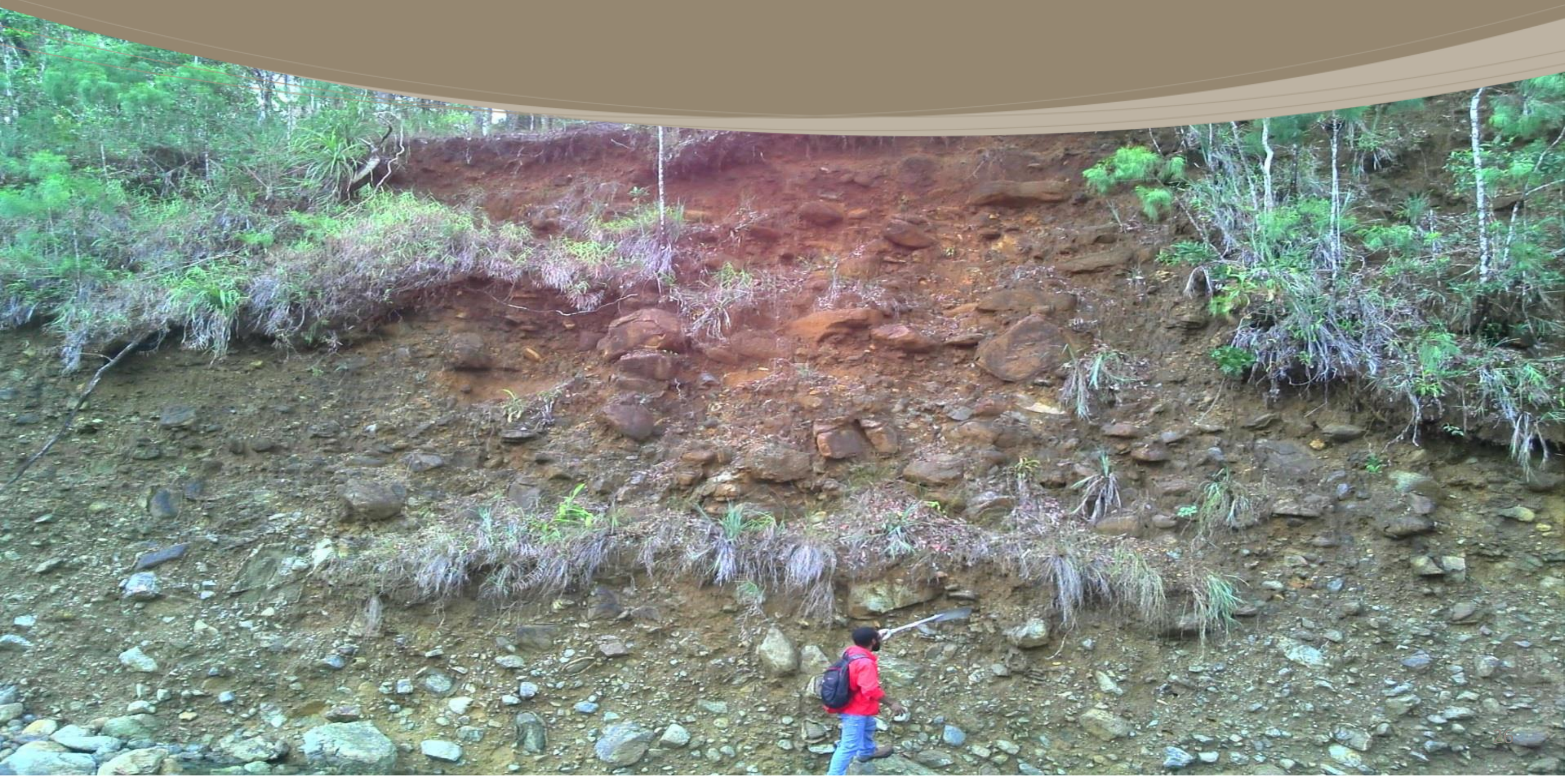
New 2015 Survey with drilling > 400m

Original 2005 Survey with drilling > 400m



- Total Magnetic Intensity
- New survey providing much greater clarity for target identification

Sewa Bay



New partner in Sojitz to drive exploration

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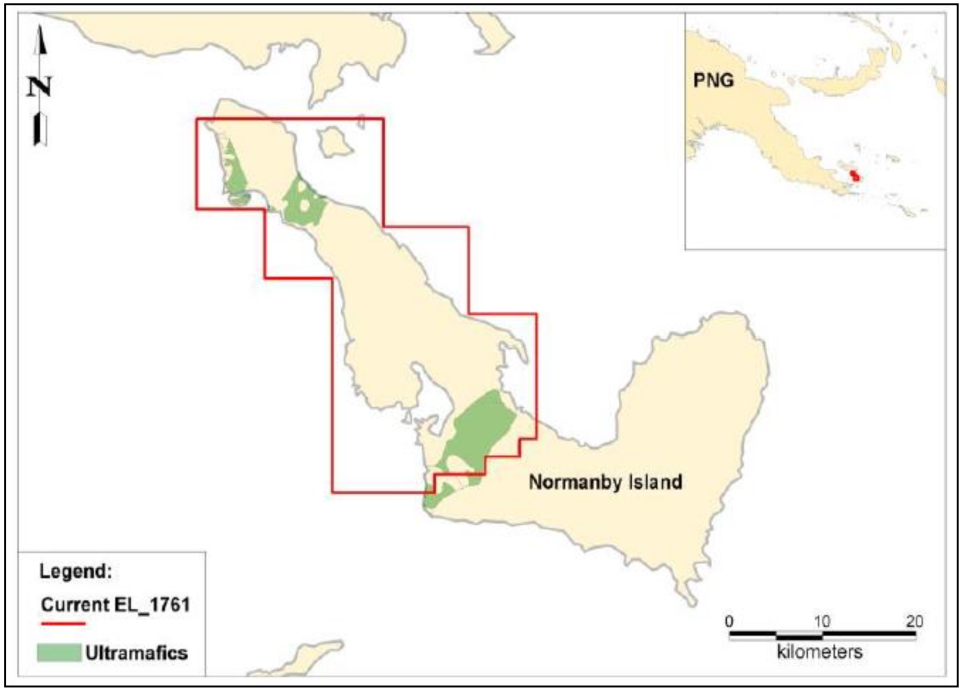
- Potential direct-shipping export nickel laterite project
- 758 sq km exploration licence in Milne Bay
- Positive nickel laterite results from previous auger drilling and rock chip sampling in 2013
- Japanese trading house Sojitz signed MOU to form joint venture/farm-in
- 1500 metre auger drilling program to start in Q2.
- US$465,000 cost to be funded by Sojitz

sojitz



Highlands Pacific Community Affairs

Tifalmin Exploration Base Camp

Tifalmin vegetables ready for transport by plane to Tabubil markets

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Tifalmin School Class room

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Tutu Desk and Solar light

Tifalmin School students at Tutu Desk and Solar Light presentation day

Presentation day at Tifalmin school of Tutu Desks and Solar Lights

Ron Gawi - Highlands General Manager - POM and friend at Tifalmin

Presentation of School Supplies to Tifalmin School Chairman

And a gift of bilums to Mater Dei Ashgrove School in thanks

Brisbane April 2015

Women’s new Birthing Hut

Dr Peter Jolly
- Highlands GM Projects and friends

Highlands' Community Affairs
Isaac Suafia and friends

Dongbil Water Supply celebrations

Dongbil Water supply celebrations with Highlands' staff Libas and Isaac

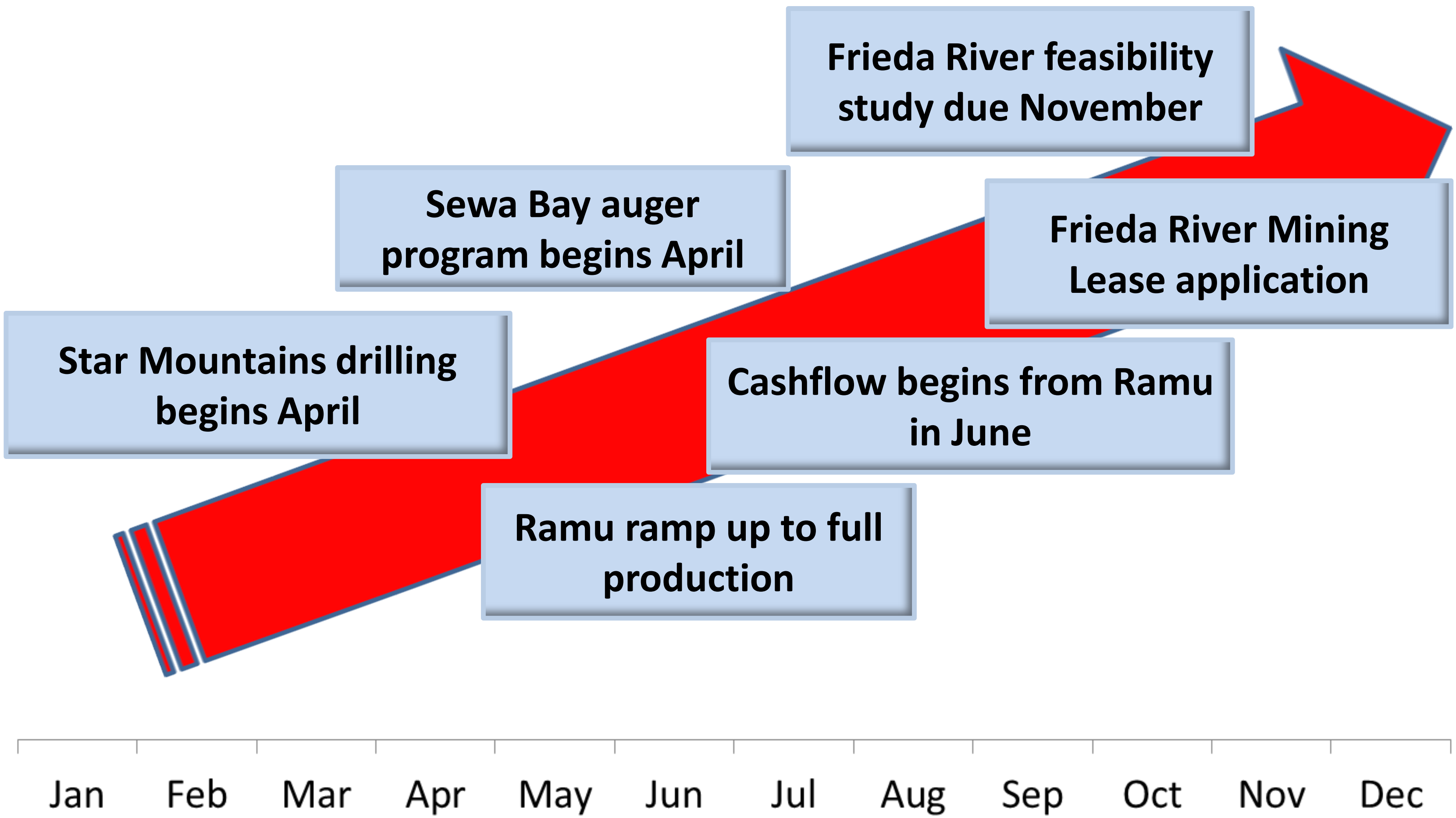
Local MP Hon Solan Mirisim and Leslie Nand - Highlands GM Exploration Projects

Medical Centre

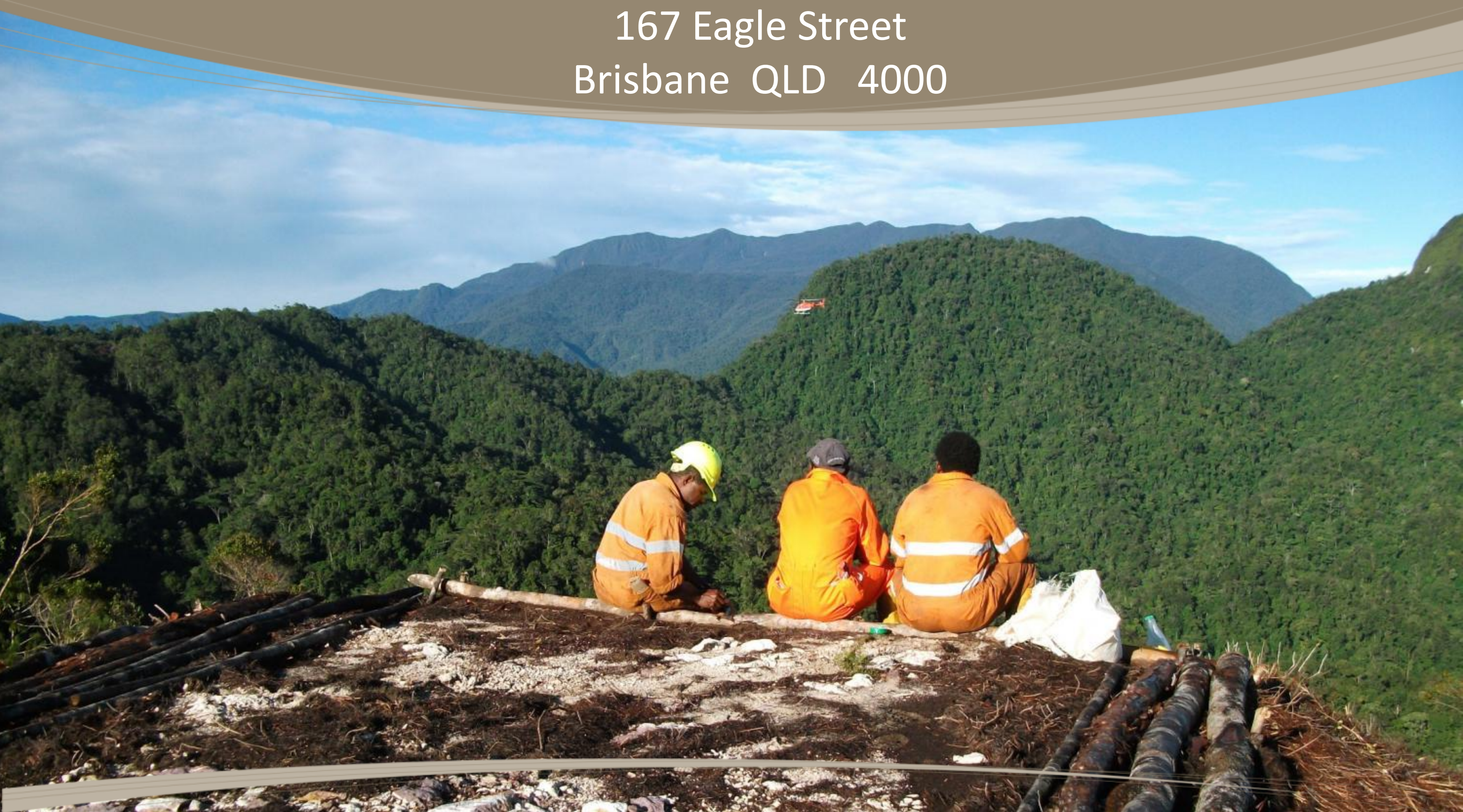
Sponsored by Highlands Pacific and the Provincial and National Government

Short term rerating triggers

Strong newsflow in 2015



www.highlandspacific.com
Tel. 07 3239 7800
Level 4
167 Eagle Street
Brisbane QLD 4000



Competent Person - Frieda District

Notes for Horse-Ivaal-Trukai, Koki and Ekwai Mineral Resources The database information used for the Horse/Ivaal/Trukai, Koki and Ekwai resource estimates was complied and verified as suitable for this estimate by Lawrence Queen. Details contained in this Report that pertain to the Horse/Ivaal/Trukai, Koki and Ekwai Resource Estimates are based upon, and fairly represent, information and supporting documentation compiled by Simon Tear. Mr. Tear is a full-time employee of H&S Consultants Pty Ltd and a Member of The Australasian Institute of Mining and Metallurgy. Mr. Queen is a full-time employee of Highlands Pacific and a Member of The Australasian Institute of Mining and Metallurgy. Both Mr. Queen and Mr. Tear have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 and Mr Tear consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Notes for Nena Mineral Resources: Details contained in this Report that pertain to the Nena Resource Estimate are based upon, and fairly represent, information and supporting documentation compiled by Mr Paul Gow, a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and at the time the estimate was prepared was a full-time employee of Glencore-Xstrata. Mr Gow has sufficient experience which is relevant to the style(s) of mineralisation and type(s) 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 this report of the matters based upon the information in the form and context in which it appears.

Please refer ASX Announcement data 14 March 2014 for full details. Highlands Pacific is not aware of any new information or data that materially affects the information presented herein and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Competent Person Statement - Ramu

Ramu Ni-Co Project Resource (at a 0.5% nominal cut-off and excluding oversize (+2mm))

31 December 2014			
Kurumbukari			
Category	MTonnes	Ni %	Co %
Measured	38	0.9	0.1
Indicated	7	1.4	0.1
Inferred	4	1.2	0.1
Total	**49**	**1.0**	**0.1**
Ramu West			
Indicated	17	0.8	0.1
Inferred	3	1.5	0.2
Total	**20**	**0.9**	**0.1**
Greater Ramu			
Inferred	60	1.0	0.1
Global Total	**129**	**1.0**	**0.1**

The following table shows the 2014 Ramu ore reserve estimate.

	31 December 2014			
Category	MTonnes	Ni%	Co%	Rocks +2mm MTonnes
Kurumbukari				
Proved	33	0.9	0.1	
Probable	6	1.4	0.1	11
Total	39	1.0	0.1	11
Ramu West				
Proved				
Probable	14	0.9	0.1	
Total	14	0.9	0.1	
Global Total	**53**	**1.0**	**0.1**	**11**

Notes for Ramu Mineral Resources & Ramu Ore Reserves:

The information in this report that relates to Ramu Mineral Resources is based on information compiled by Lawrence Queen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Queen is a full-time employee of 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.

Details contained in this Annual 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 (AusIMM) CP (Min) and a full-time employee of AMC Consultants Pty Ltd. Mr Smith has sufficient experience which is relevant to the style(s) of mineralisation and type(s) 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 this report of the matters based upon the information in the form and context in which it appears.

Please refer ASX Announcement data 13 March 2015 for full details. Highlands Pacific is not aware of any new information or data that materially affects the information presented herein and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Competent Person - Exploration

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)x0.53; 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 is employed by Highlands Pacific Limited. 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.

Please refer ASX Announcement data 13 March 2015 for full details. Highlands Pacific is not aware of any new information or data that materially affects the information presented herein and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.