



Annual General Meeting, Port Moresby
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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.

HIG - Established player growing with PNG



Three world class copper, gold and nickel projects

- FRIEDA RIVER copper gold project – Feasibility Study results released today
 - RAMU nickel cobalt mine - in production
 - STAR MOUNTAINS copper gold project - exploration
-
- More than 20 years operating history in PNG has assisted our partners PanAust, MCC and Anglo American plc to integrate and operate in PNG
 - 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

Share price performance

HIG share price compared with ASX Metals and Mining Index - from Jan 1, 2015



Metal prices in doldrums

Nickel Price (US\$/lb)

1 Year Nickel Spot



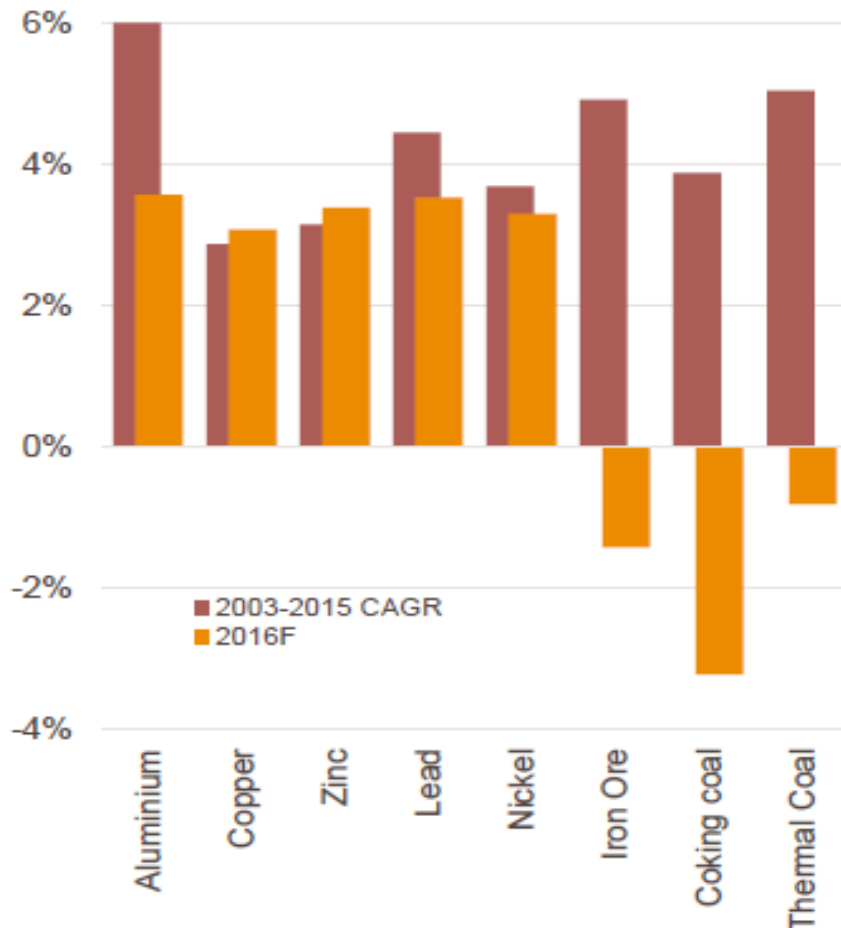
Copper Price (US\$/lb)

1 Year Copper Spot

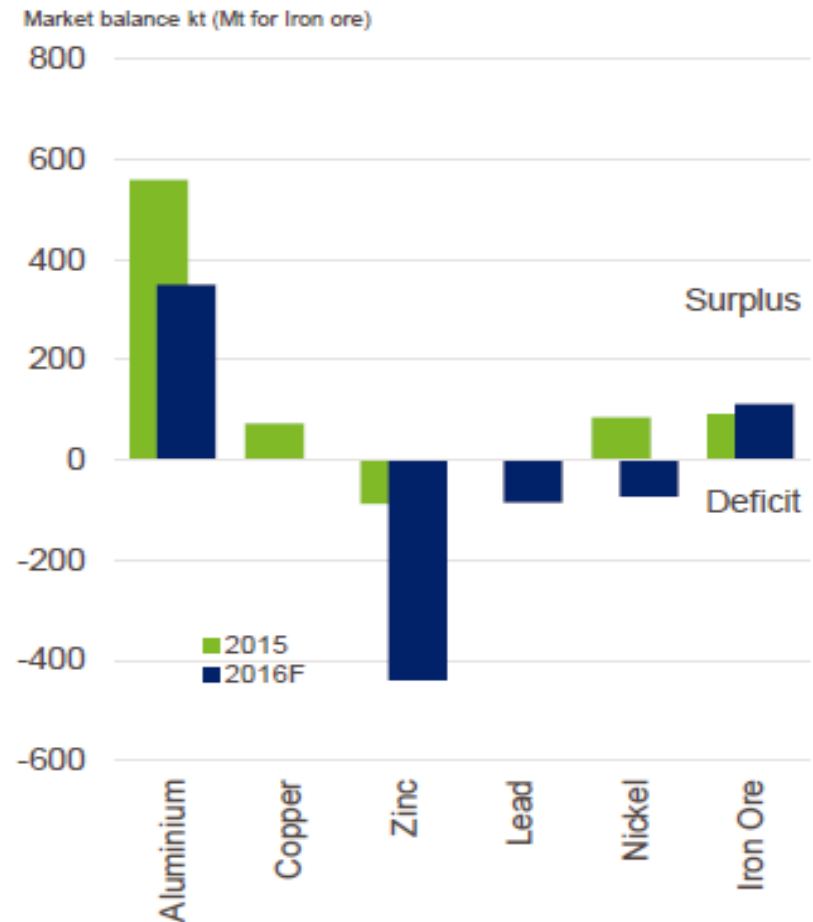


Outlook remains positive

Solid demand forecast for Cu and Ni



Cu in Balance, Ni in deficit in 2016



Source:Glencore

Notes: (1) Annual demand growth, Source: Wood Mackenzie, Morgan Stanley, Citi Research, Glencore estimates. (2) Market balance of refined supply and demand for Al, Cu, Zn, Pb and Ni, Source: Morgan Stanley, Citi Research

World class project portfolio

Frieda River Copper-Gold

- One of world's largest undeveloped Cu deposits
- Feasibility Study released

Ramu Nickel

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

PAPUA NEW GUINEA

★ Frieda
★ Star
Mountains

★ Ramu

PORT MORESBY

Star Mountains Copper-Gold

- 515 Sq Km tenements
- Anglo American JV formed
- Exploration on-going

Sewa Bay Nickel

- Potential Ni laterite project

★ Sewa Bay

FRIEDA RIVER



Please refer to Highlands' ASX release today on the Frieda River Copper – Gold Project Feasibility Study

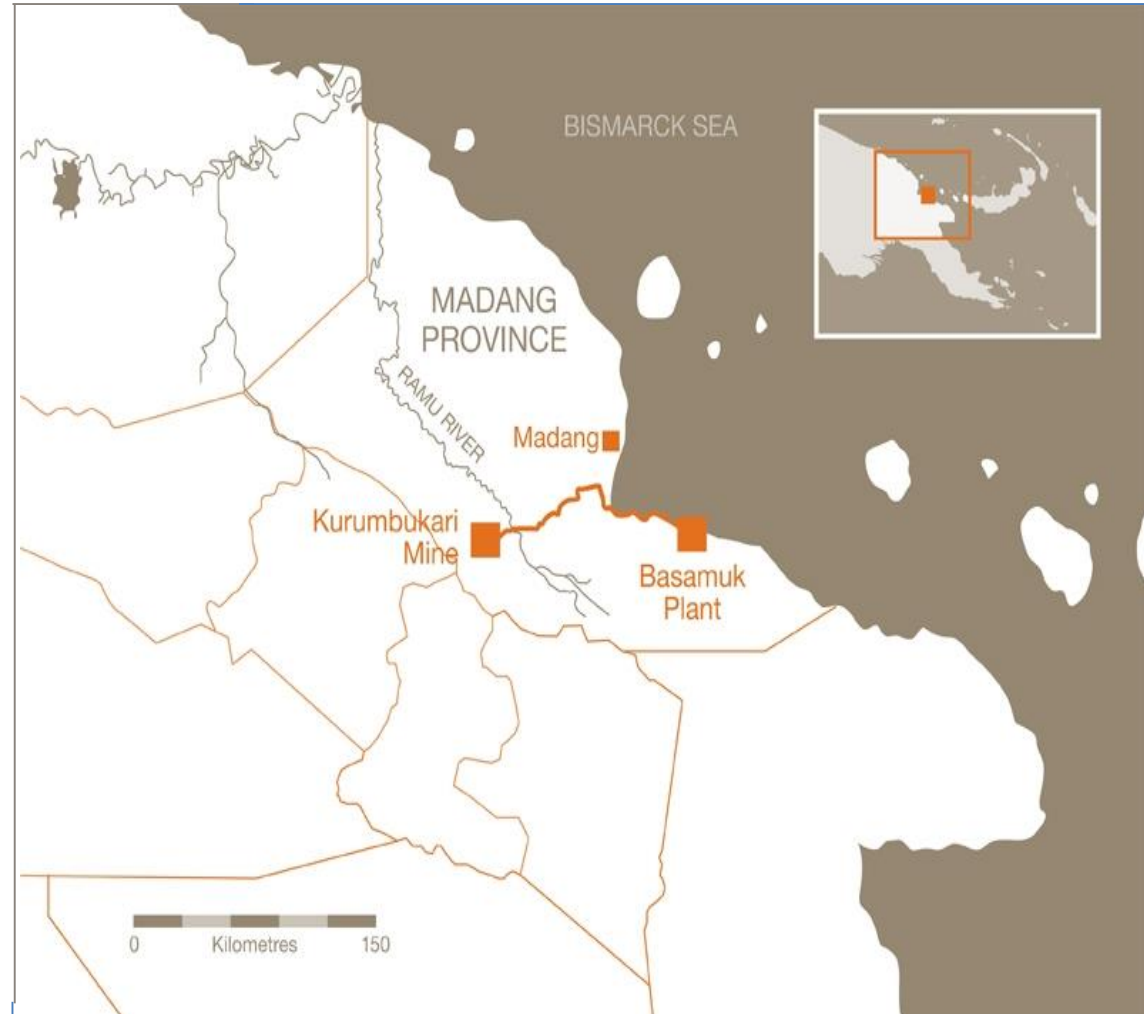
RAMU



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 32,600 t
of Ni and 3300 t Co
- Mine at KBK. 135 km
slurry pipeline to
Basamuk port
- Construction 2008
- Commissioning 2012
- Full production 2017

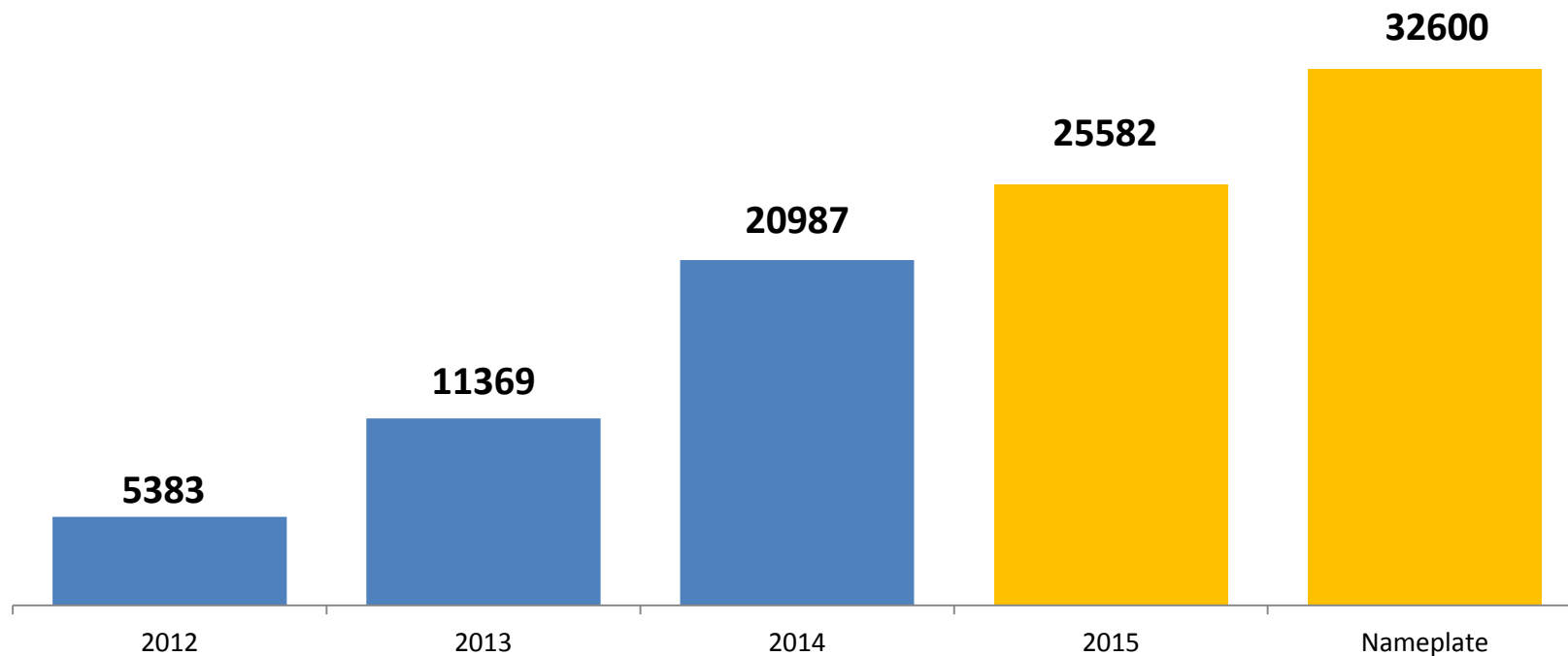


Ramu – A PNG success story



Steadily ramping up production

Nickel Production
(In Concentrate, tonnes)



Production rate above 90% (+29ktpa) until 12 April



Current Situation at Ramu

- Up until 12 April 2016 ytd production running at +90% nameplate capacity despite an earthquake event in early March that disrupted operations by breaking the slurry line
- A tragic fatality in April has resulted in the operation stopping while reviews by an independent expert are completed to understand the cause and to ensure future production is safe
- Unfortunately many employees have been laid off until production commences again
- Timing still uncertain but it may be another month or so yet
- Very important for all stakeholders that production starts asap

STAR MOUNTAINS



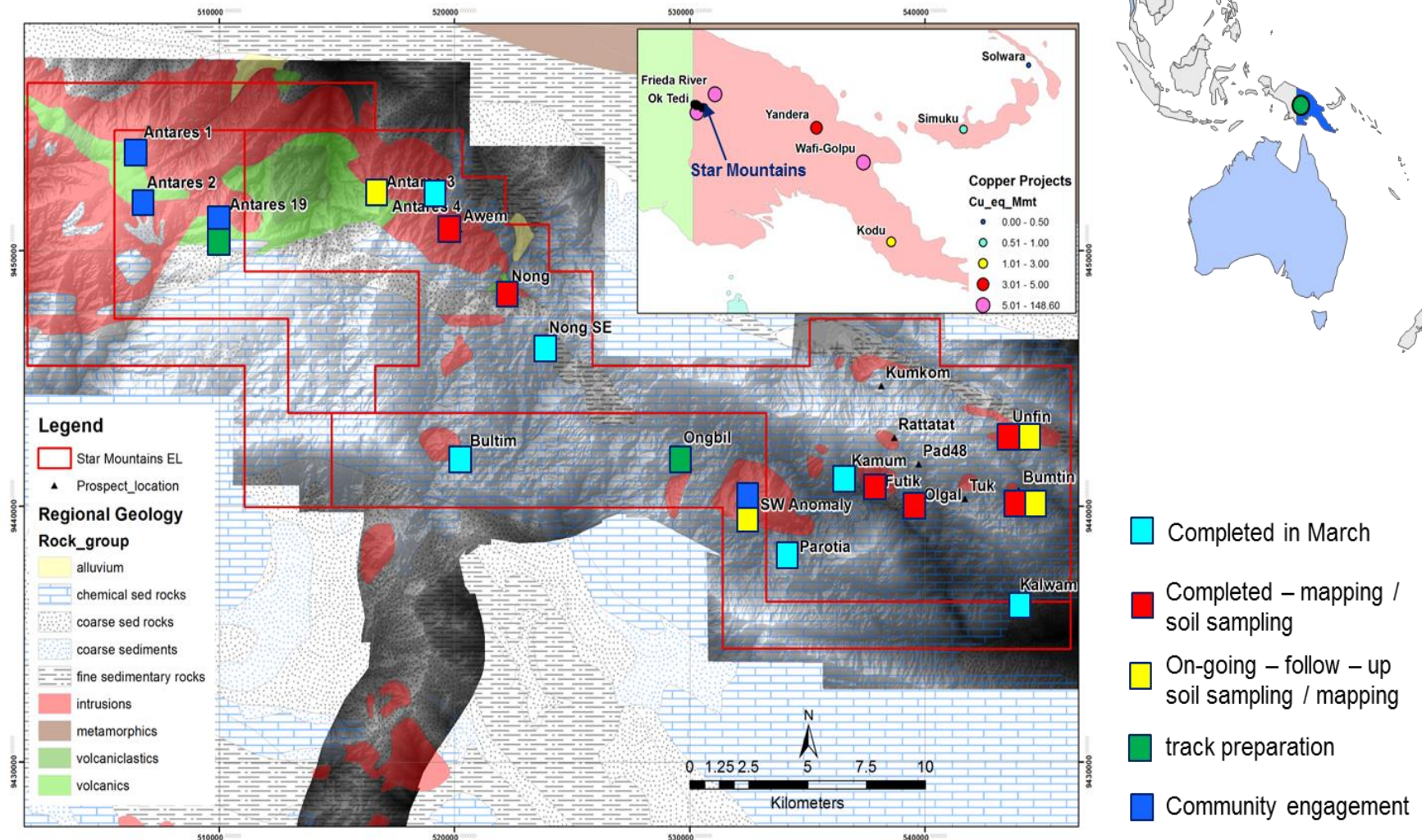
Star Mountains exploration gearing up



Joint Venture/Farm-in 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
- 2015 campaign completed. Nine holes for a total of 5387 metres of diamond drilling.
- Results included:
 - At the Olgal prospect:
 - Hole 019OLG15 - 183 metres @ 0.53% copper and 0.58 g/t gold from 168m downhole
 - Hole 020OLG15 - 430 metres @ 0.39% copper and 0.24 g/t gold from 168m downhole

2016 Fieldwork program Jan-July 2016

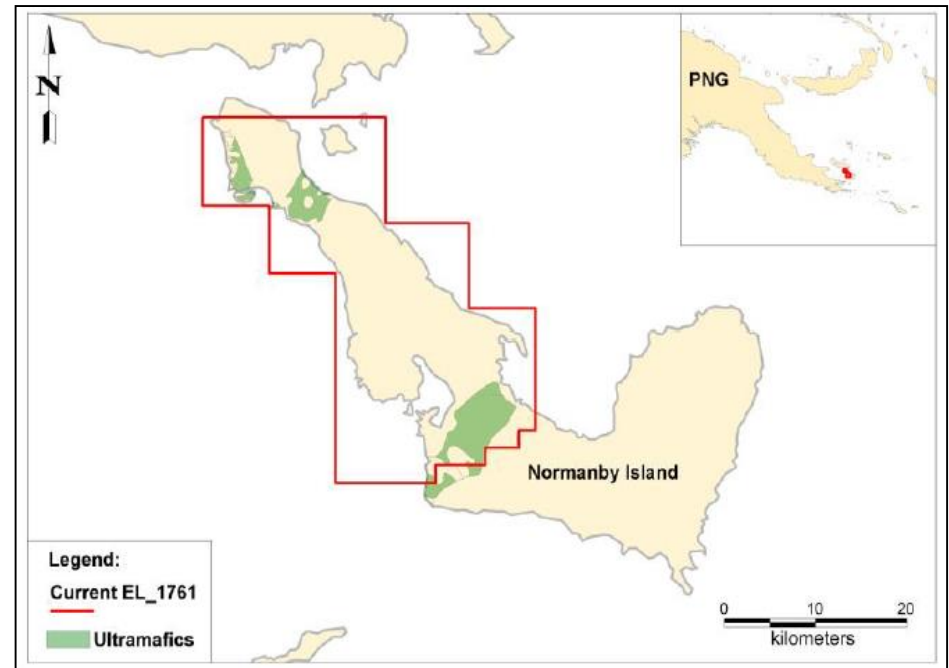


Sewa Bay



Further potential at Sewa Bay

- 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 funded exploration campaign in 2015 – March to May
- Extensive mineralisation identified



- Low Commodity Prices continue to affect the resources sector
- Even the “Blue chip” miners like Rio, BHPB, Vale and Anglo have been affected
- Highlands has batted above its weight since Jan 2015 when compared to the S&P/ASX Metals and Mining Index
- Ramu has achieved great success in production improvements and is committed to achieving nameplate capacity
- Lessons learned from the fatality will ensure a better future for all stakeholders as Ramu is part of the fabric of the Rai Coast now
- The Frieda River Feasibility Study release by PanAust is a culmination of over 30 years of exploration and much work by the PanAust team and others
- Star Mountains JV field and technical work in 2016 continues to produce encouraging results for target generation
- Sewa Bay nickel laterites hold potential for the future



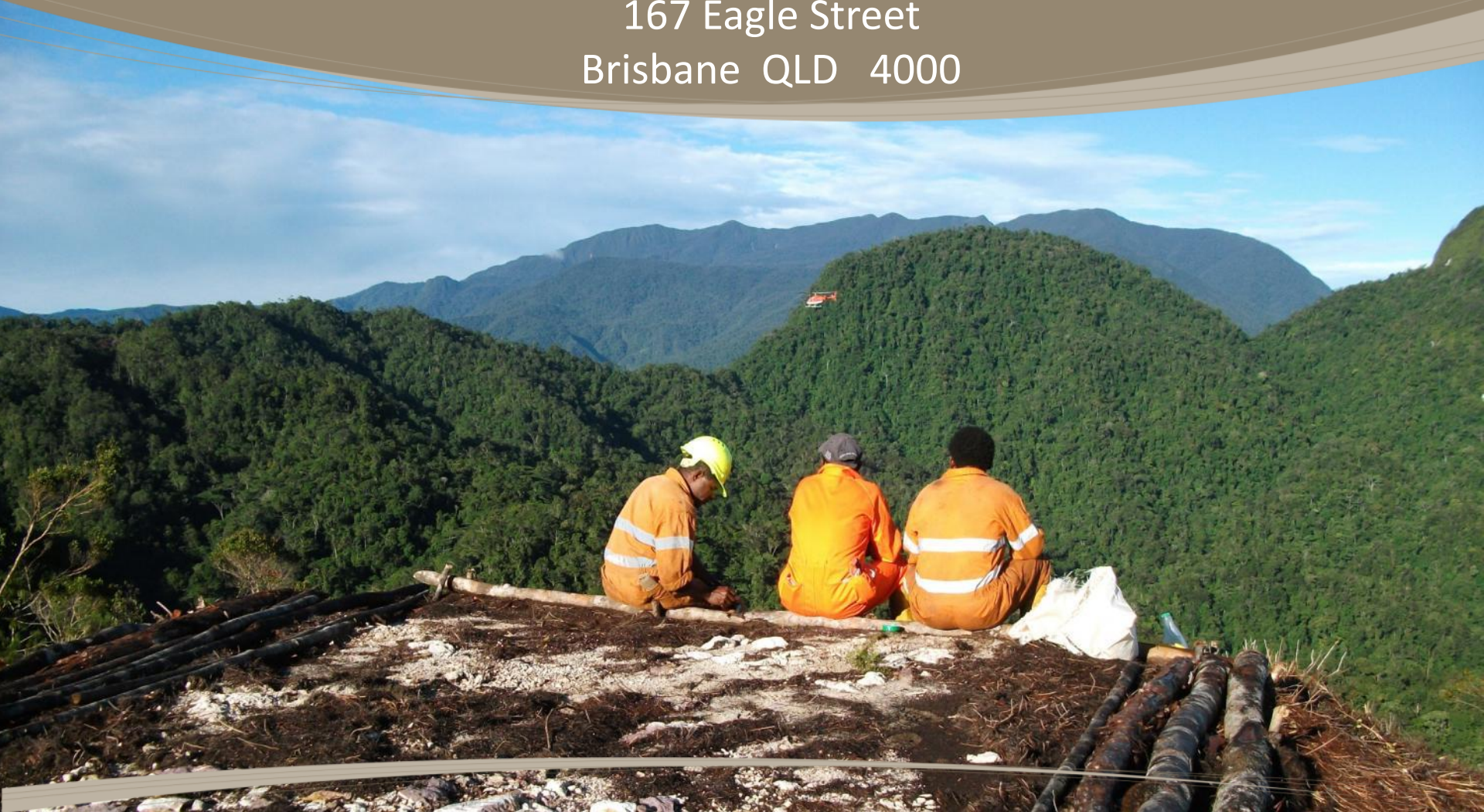
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Competent Person Statement - Ramu

Ramu Ni-Co Project Resource (at a 0.5% nominal cut-off and excluding oversize (+2mm)).. The identified mineral Resource as of the 31 December 2015 is presented in Table 1 below. Only depletion from mining activities has occurred, there has been no addition to the Ramu Resources in the 2015 year.

		31-Dec-15	
Kurumbukari			
Category	MTonnes	Ni %	Co %
Measured	36	0.89	0.1
Indicated	7	1.4	0.1
Inferred	4	1.2	0.1
Total	46	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	0.1
Global Total	126	1	0.1

Note: The Lower cut off of 0.5% Ni used to define the downhole limit of the overburden.

□ Because of rounding summation calculations may not add up to totals.

Competent Person Statement - Ramu

Table 1 December 2015 Ramu open pit Ore Reserve by classification

Reserve Classification	Ore Tonnes (Mt)	Ni%	Co%	Rock +2mm (Mt)
Proven	31	0.9	0.1	–
Probable	20	1.0	0.1	9
Total	51	1.0	0.1	9

Notes:

1. Totals may not equal the sum of the component parts due to rounding adjustments.
2. Ore tonnes (dry) represent the -2 mm economic portion of resource mineralization. Rock represents an estimate of oversize material (+2 mm) that includes low-grade rocks and rock fragments that occur in the rocky saprolite mineralized zone and are considered as internal waste. The rock will be removed by a simple screening process prior to beneficiation. Accordingly, the ore tonnage is reported after initial screening prior to the beneficiation plant.
3. The Ore Reserve estimate was made using metal prices of US\$17,764/t nickel and US\$26,448/t cobalt.
4. Cut-off grade is variable and equates to 0.58% nickel equivalent, including credit for recovered cobalt metal.

The estimated split of reserves by Ramu mining area is set out in Table 2.

Table 2 Estimated split of Ore Reserves by Ramu mining area

Reserve Classification	Ore Tonnes (Mt)	Ni%	Co%	Rock +2mm (Mt)
Kurumbukari				
Proven	31	0.9	0.1	–
Probable	6	1.3	0.1	9
Total Kurumbukari	37	1.0	0.1	9
Ramu West				
Proven	–	–	–	–
Probable	14	0.9	0.1	–
Total Ramu West	14	0.9	0.1	–

Notes:

1. Totals may not equal the sum of the component parts due to rounding adjustments.
2. Ore tonnes (dry) represent the -2 mm economic portion of resource mineralization. Rock represents an estimate of oversize material (+2 mm) that includes low-grade rocks and rock fragments that occur in the rocky saprolite mineralized zone and are considered as internal waste. The rock will be removed by a simple screening process prior to beneficiation. Accordingly, the ore tonnage is reported after initial screening prior to the beneficiation plant.
3. The Ore Reserve estimate was made using metal prices of US\$17,764/t nickel and US\$26,448/t cobalt.
4. Cut-off grade is variable and equates to 0.58% nickel equivalent, including credit for recovered cobalt metal.

Competent Person Statement - Ramu



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.

The information in this report that relates to Ore Reserves is based upon information compiled by Mr Patrick Smith, who is a Chartered Professional (Mining) and Member of the Australasian Institute of Mining and Metallurgy, and an RPEQ. Mr Smith is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the style of mineralization and type of deposit under consideration 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 (JORC Code)". Mr Smith has consented to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Please refer ASX Announcement data 22 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= $\text{Cu \%} + \text{Au(g/t)} \times 0.53$; 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 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.