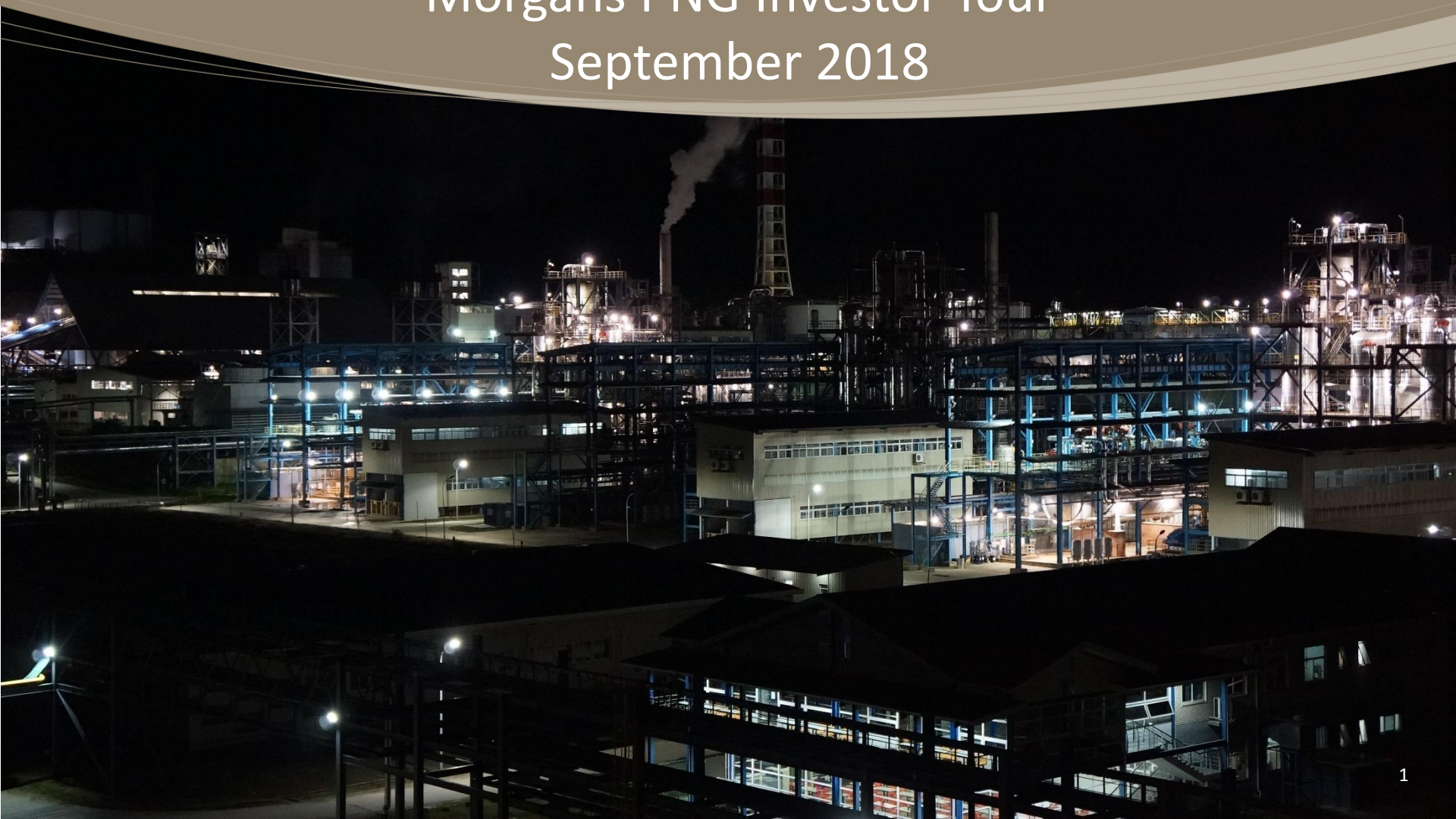




Nickel and Cobalt Producer  
Morgans PNG Investor Tour  
September 2018



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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.



## Capital Structure

Shares on issue	1093m
Share price	A\$0.11
<b>Market capitalisation</b>	<b>A\$120m</b>
Cash (June 2018)	A\$22.1m

## Major shareholders

	13.04%	<ul style="list-style-type: none"> <li>▪ Cobalt Streaming company</li> </ul>
	11.8%	<ul style="list-style-type: none"> <li>▪ Chinese State-owned entity based in Guangzhou</li> <li>▪ JV partner at Frieda River</li> </ul>
<b>LIM Advisors</b>	9.4%	<ul style="list-style-type: none"> <li>▪ HK investment fund</li> </ul>
<b>Tibeca</b>	7.94%	<ul style="list-style-type: none"> <li>▪ Investment fund</li> </ul>

# Established player in PNG



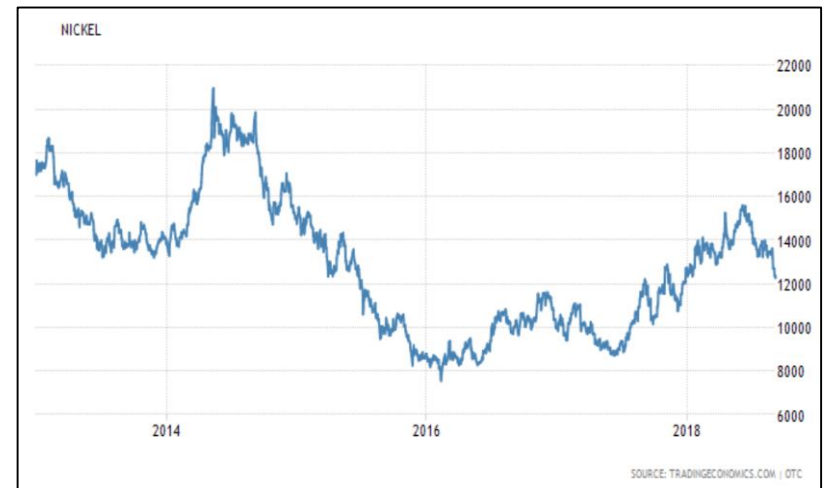
- World class copper, gold and nickel projects
  - RAMU nickel-cobalt mine - annual production Co - 3300t, Ni - 34,000t
  - STAR MOUNTAINS copper-gold project - exploration drilling
  - FRIEDA RIVER copper-gold project - being permitted
  - SEWA BAY nickel laterite - exploration
- +20 years operating history in PNG makes Highlands an ideal project partner
- Past involvement in the Porgera Gold Mine, Kainantu Gold Mine and various exploration sites in PNG



# Compelling investment case

- **Perfectly positioned for battery metals revolution**
- **Major exposure to nickel, cobalt, copper - as well as gold**
- **Debt free following finalisation of transformational streaming deal**
- **Generating significant cashflow**
- **Poised for growth, focused on generating shareholder returns**

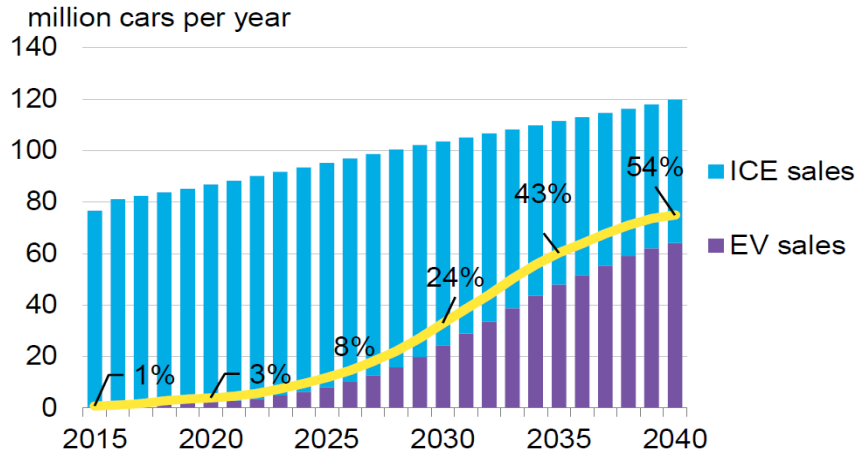
Resource base of Highlands' projects (Ramu, Freida River, Star Mountains)	Copper (Mt)	Gold (Mozs)	Nickel (kt)	Cobalt (tonnes)
<b>Total Resource Contained Metal</b>	13.6	24.3	1224	136,000
<b>HIG share*</b>	3.4	7.2	105	8037



\*Post Cobalt27 streaming transaction, assuming US\$15 million investment in stream.  
See full resource statements included in appendix. Excludes Sewa Bay potential.

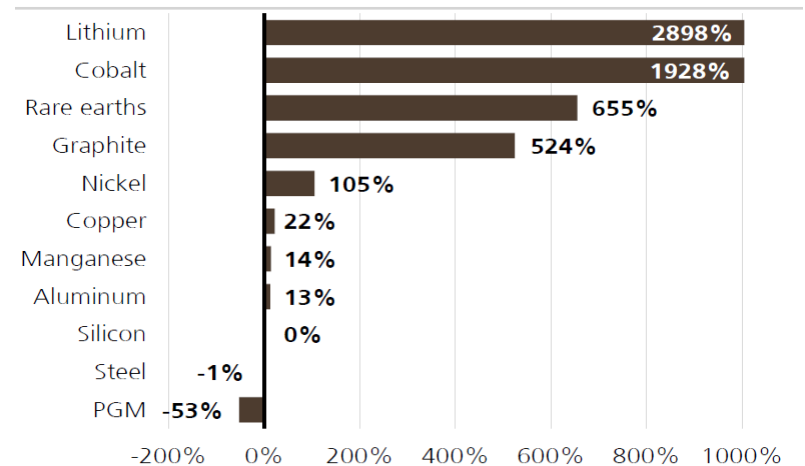
# EV fuelled battery market revolution

## Global Electric Vehicle sales to surge....



Source: Bloomberg New Energy Finance

## Incremental commodity demand in a 100% EV world (% increase)



Source: UBS

## Gas/Diesel Vehicle Ban

Governments are responding by banning the sale of gasoline and diesel vehicles by:

**2025** - Norway and Netherlands

**2030** - India and Germany

**2040** - UK and France



## China has set a target that would see zero emission vehicles

**2019** - 10% of new sales

**2020** - 12% of new sales



## 39+ Automakers

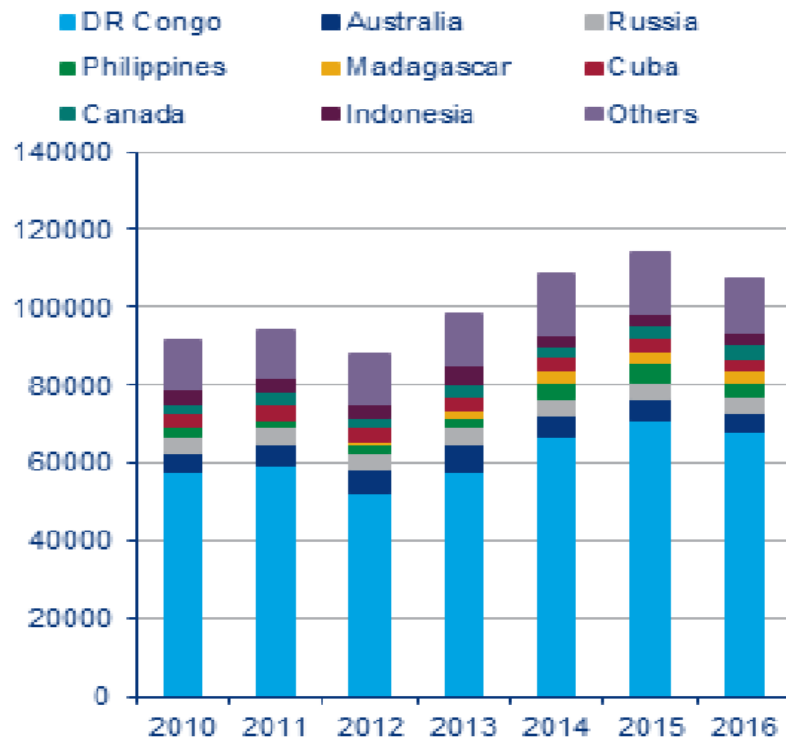
have invested in electric and plug-in hybrid electric vehicles



# Cobalt demand rising

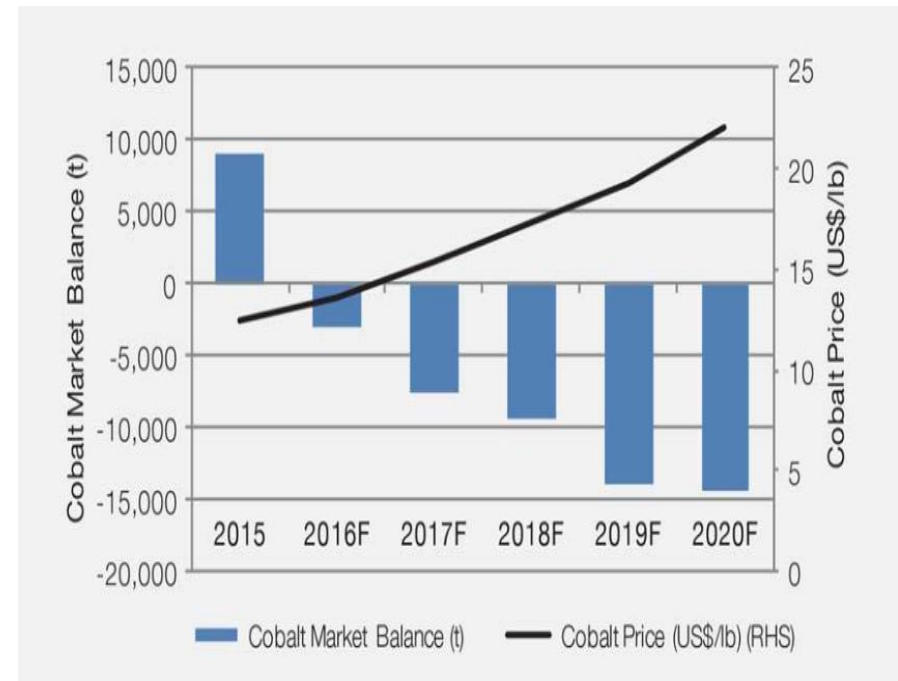
- Ramu is one of the world's largest cobalt mines and produces preferred MHP product for EVs

## Global annual Co production 108,000t



Source: Wood MacKenzie

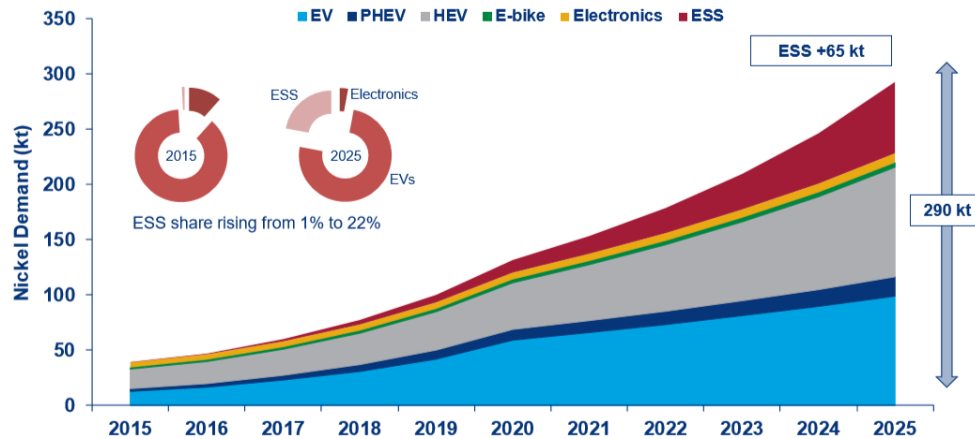
## Cobalt Market moving into deficit



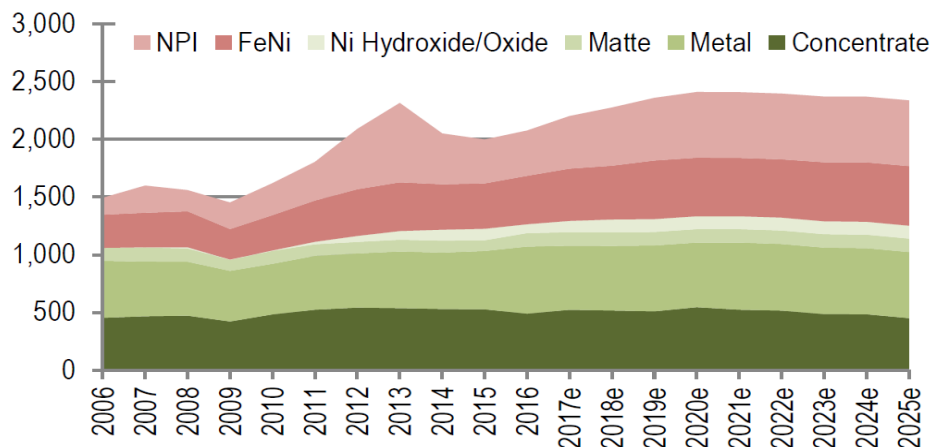
Source: Research in China

# Nickel demand driven by batteries

## Nickel demand for EV and Energy Storage batteries



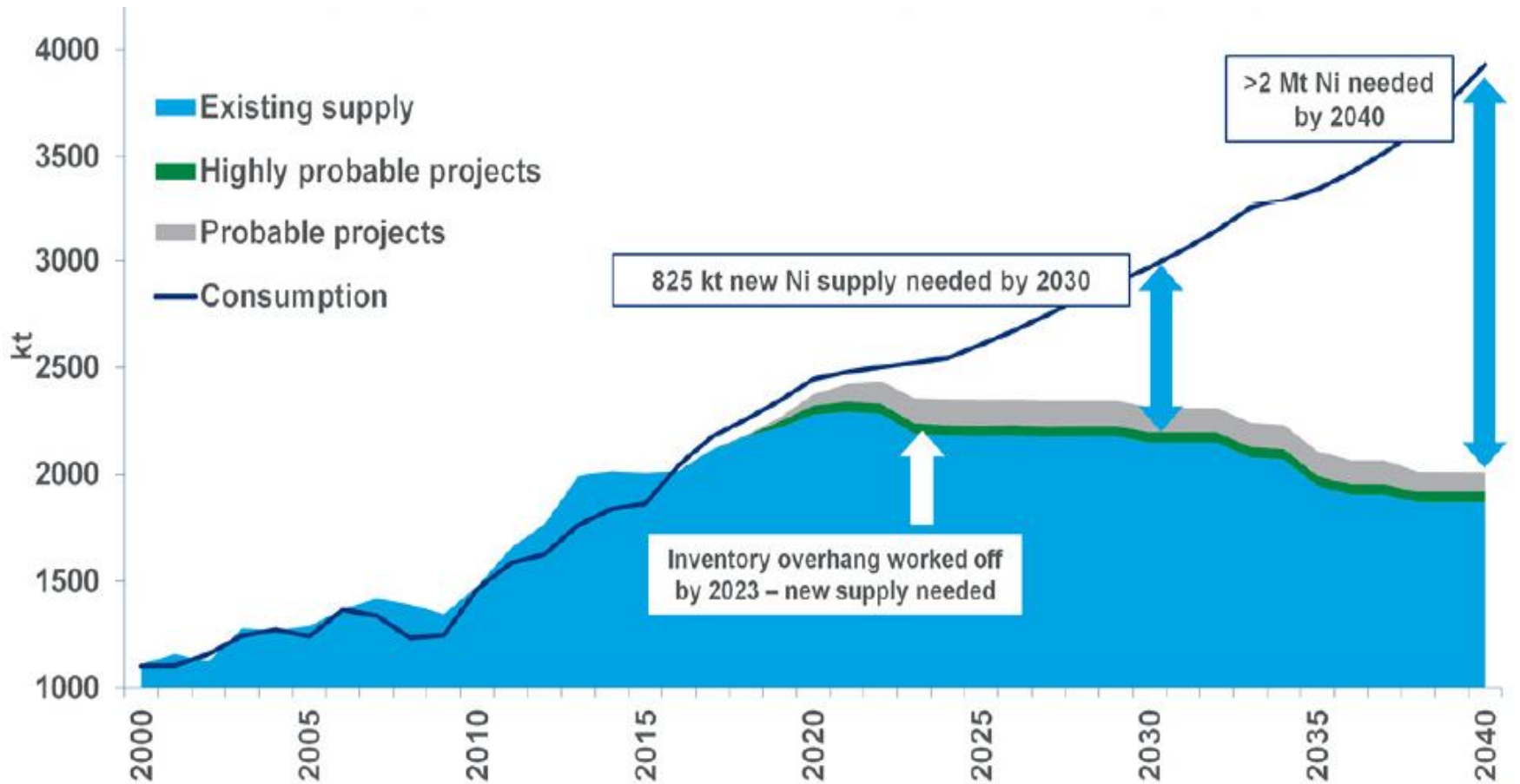
## Stagnant supply of preferred nickel product



- ~15m EV production in 2025 would mean an additional ~300-900ktpa of incremental nickel demand which is +10-40% of demand - UBS, July 2017
- Only ~50% of nickel mine supply is suitable for battery use. Nickel sulphide producers & nickel HPAL's which produce high grade nickel products stand to benefit (nickel concentrate, nickel metal, nickel hydroxide or lithium nickelite). – UBS



# Nickel demand – 14 Ambatovys by 2030

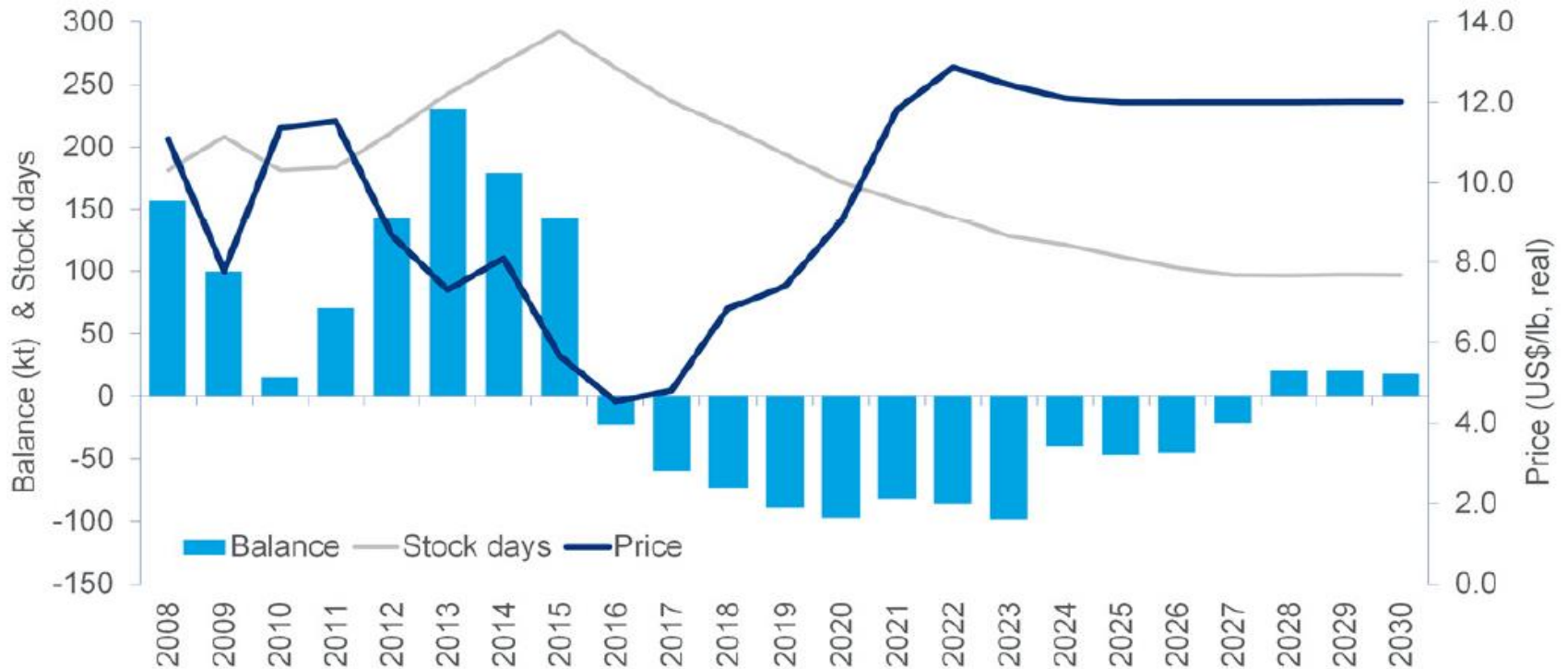


Source: Wood Mackenzie

# Nickel price to surge

*Long-term incentive price is US\$12/lb (US\$26,500/t, real).*

**Global nickel supply-demand balance, real price and stocks**



Source: Wood Mackenzie

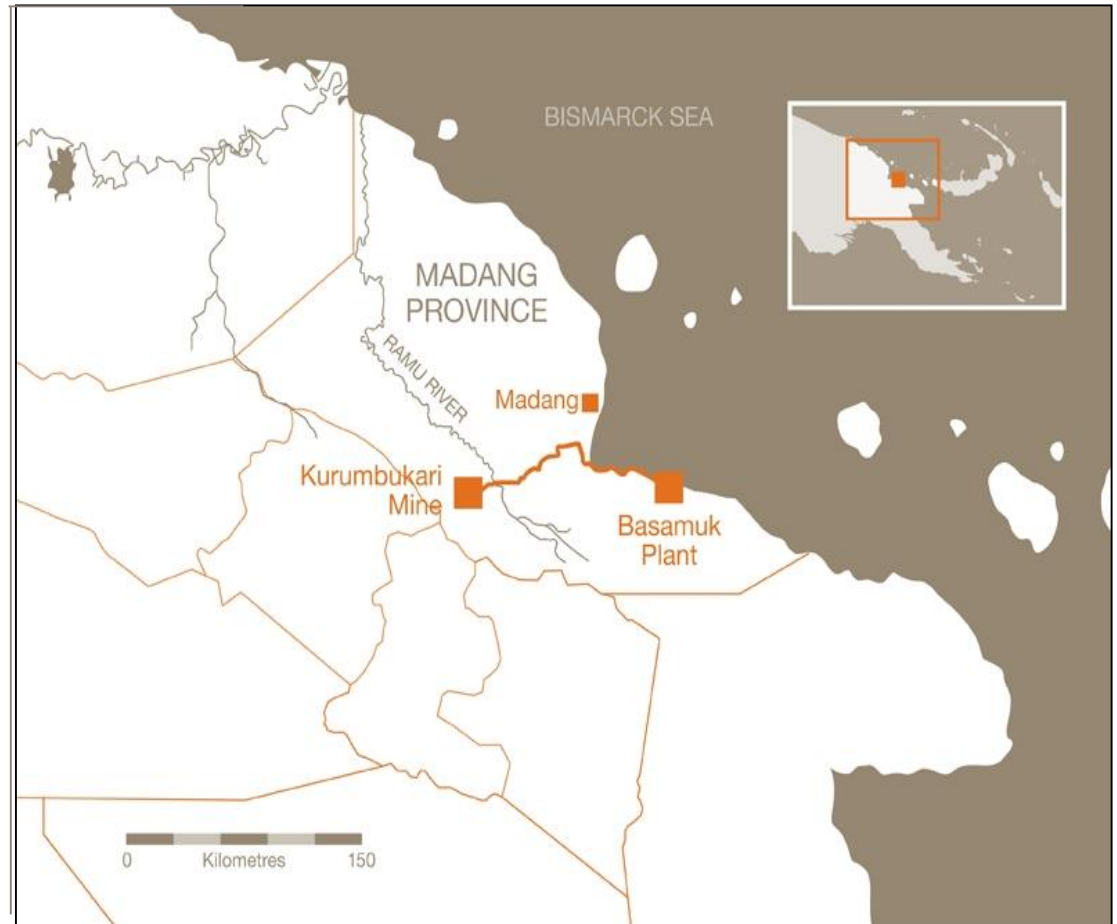


# RAMU



# Ramu Nickel Cobalt – PNG success story

- Joint venture –  
Highlands 11.3%<sup>1</sup>, MCC  
Ramu 82.26%, PNG  
Govt and landowners  
6.44%
- \$2.1 billion capex
- Annual production  
34,000t Ni, 3300t Co
- Mine at Kurumbukari.  
135km slurry pipeline to  
Basamuk port
- Constructed 2008,  
commissioned 2012
- HPAL success story for  
nickel laterite





# Ramu Nickel Cobalt – Long Life

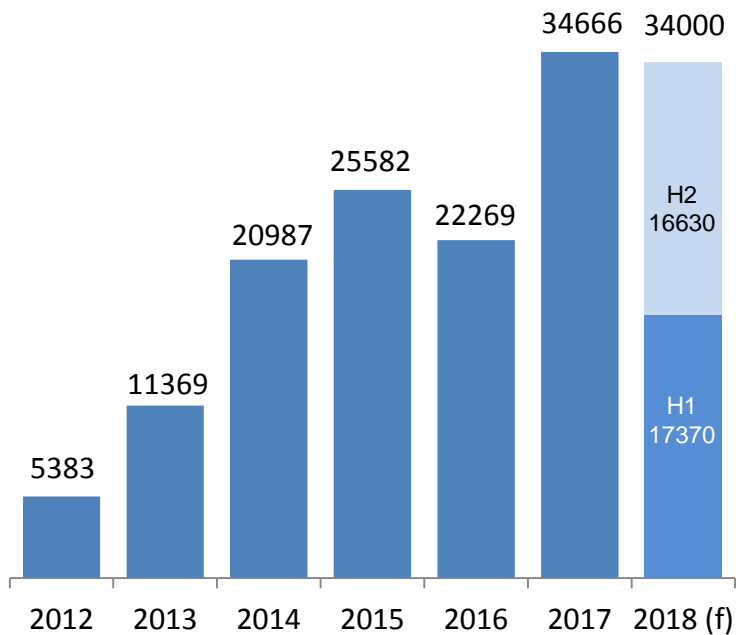
- Resource: 136 Mt @ 0.9% Ni and 0.1% Co
- Reserve: 56 Mt @ 0.9% Ni and 0.1% Co
- Resource/reserve growth to deliver mine life of +35 years
- Mining: Open pit, free digging
- Utilizing hydro-sluicing successfully
- Strip Ratio: Low 0.28:1



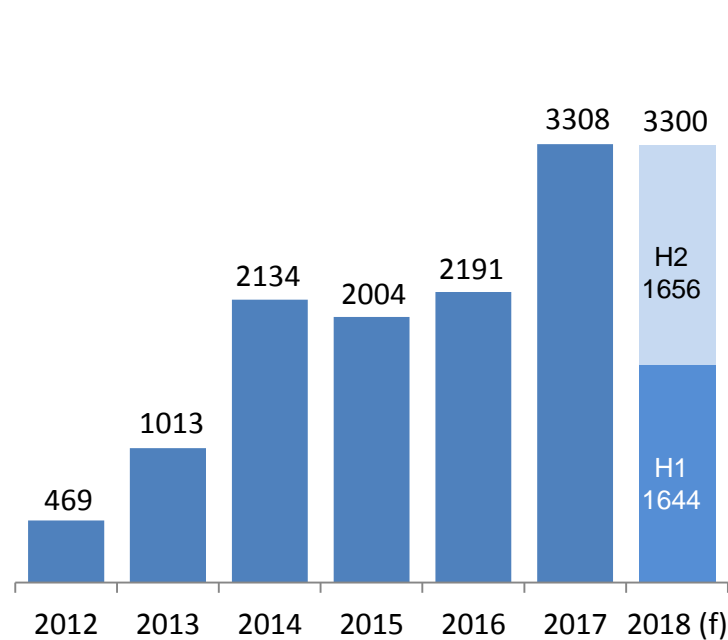


# Record production in 2017

**Nickel Production**  
(In Concentrate, tonnes)



**Co Production**  
(In Concentrate, tonnes)

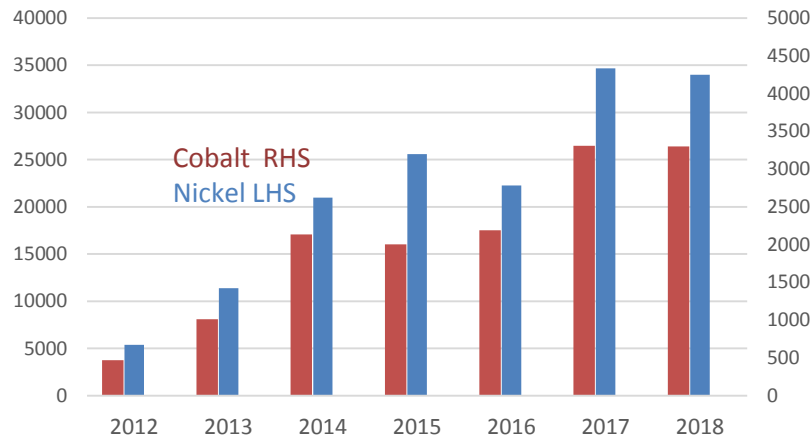


Mine  
life of  
30+  
years

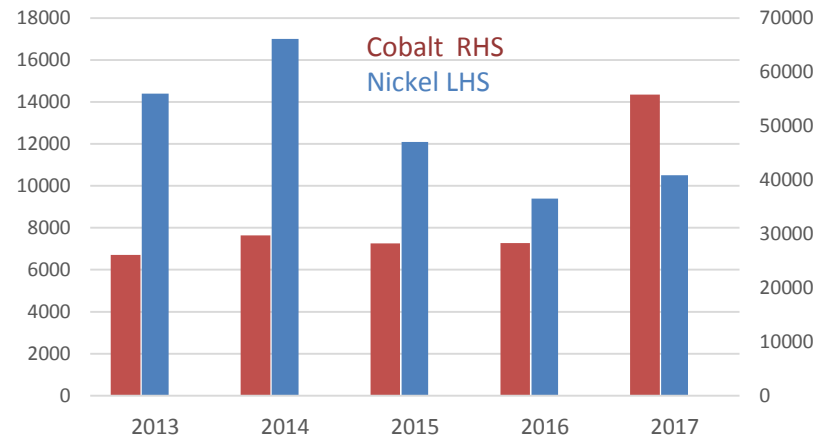
# Ramu project generates strong margins



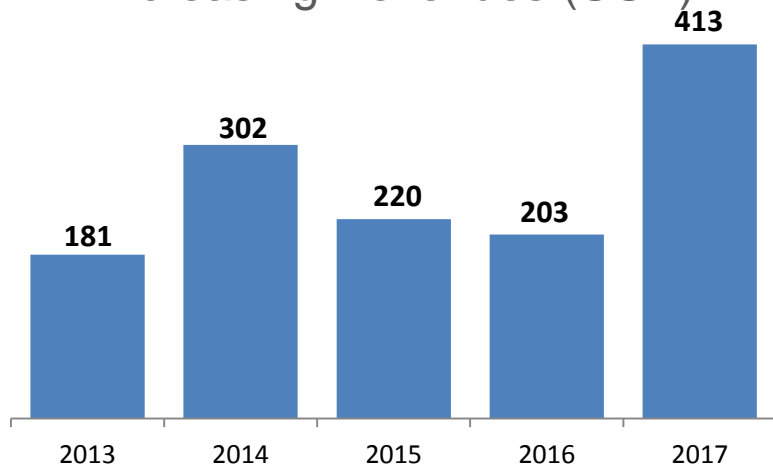
## Strong Production (t)



## Rising Metal Prices (USD)



## Increasing Revenues (USD)



**Strong Production  
+ Rising Metal Prices  
= Increasing Revenue**

**+ Low Costs**  
(~US\$7,500/t Nickel before Cobalt credits)

**= Strong Margins**

# Ramu streaming transaction

- Highlands receives US\$113 million
- Cobalt27 takes 55% of Highland's share of future Ramu cobalt production and 27.5% of Ramu future nickel production
- Cobalt27 will make ongoing volume based payments to Highlands of US\$1.00/lb of Ni and US\$4.00/lb of Co<sup>1</sup>
- Proceeds used to fully repay Highland's share of Ramu debt
- Highland's interest in Ramu increases from 8.56% to 11.3%
- Highlands retains right to acquire US\$15 million interest in streaming agreement (for 90 days from close)
- If exercised, Cobalt27 would take 47.7% of Co and 23.9% of Ni entitlement from Ramu
- Cobalt27 pursuing equivalent streaming arrangement with MRDC.
- Share placement to Cobalt27 completed and ongoing strategic relationship established

1. Subject to inflation adjustment from June 2023



**Kurumbukari mine site**



**Basamuk process plant**

# New strategic relationship with Cobalt27

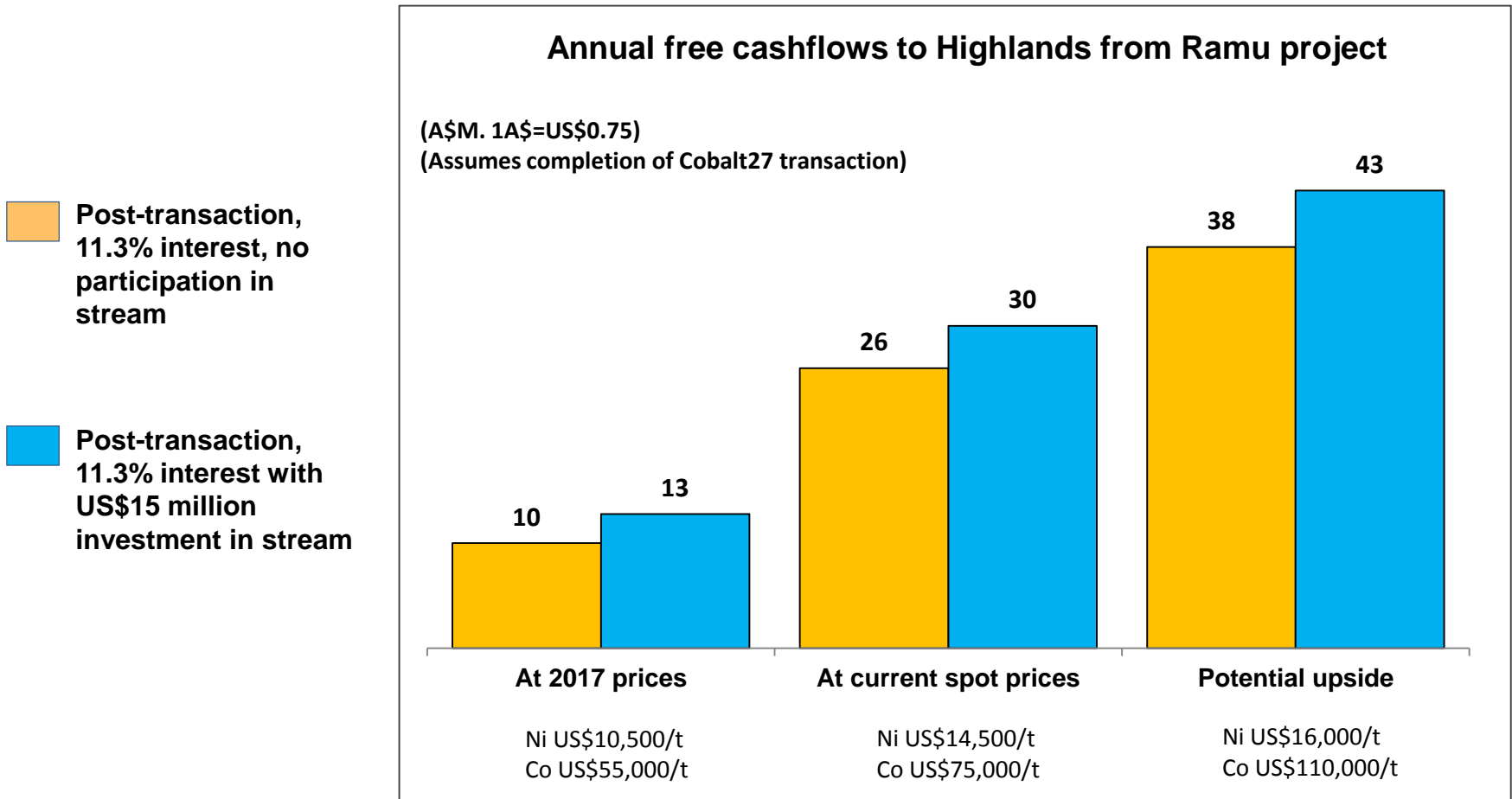


- Private placement of 143 million shares at A10.5 cents raising A\$15 million
- Cobalt27 becomes HIG largest shareholder with 13.04%
- Cobalt27 executive chairman Anthony Milewski has joined the Highlands board
- Highlands CEO Craig Lennon has joined Cobalt27 Advisory Board
- Highlands and Cobalt27 commit to working collaboratively to identify opportunities



# Producing Co and Ni, generating cash

Potential free cashflows flowing to Highlands from producing Ramu project.  
Assumes completion of streaming transaction with Cobalt27, which enables repayment of Ramu project debt and automatic increase in Highlands' share of Ramu from 8.56% to 11.3%



Proforma numbers based on 2017 production throughput and operating costs



# Well ahead of cobalt competition



Creating value

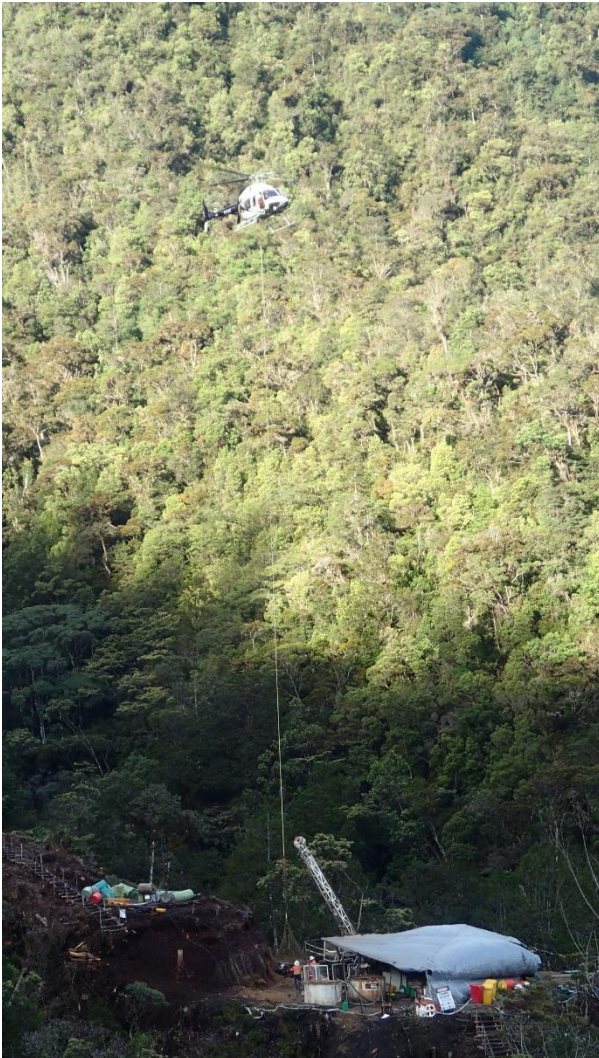
Explorers Resource Defined	Feasibility Study Being Prepared	In Construction	In Production, Generating Cashflow
Hammer Metals (Millennium)	Australian Mines (Sconi) (BFS June 2018. Production 2021)	Panoramic (Savannah) (Preparing restart)	<b>Highlands Pacific (Ramu)</b>
Havilah (Mutooroo)	Cobalt Blue (Thackaringa) (BFS June 2018)	Nzuri (Kalongwe) (FEED)	Independence Group (Nova)
Celsius (Opuwo)	Clean Teq (Syerston) (DFS June 2018. Production 2021)		Glencore (Murrin Murrin)
Artemis (Carlow Castle)	GME Resources (NiWest) (PFS June 2018)		
Metals X (Maroochydore)	Ardea Resources (Goongarrie) (PFS March 2018)		
First Cobalt (Iron Creek)	Aeon Metals (Walford Creek) (Study being prepared)		
Northern Cobalt (Stanton)	Jervois (Nico Young) (PFS Sept 2018)		
	Conico (Mt Thirsty) (PFS being prepared)		
	Collerina Cobalt (PFS being prepared)		
	Gindalbie (Mt Gunson) (PFS being prepared)		
	Platina (Owendale) (DFS being prepared)		

# STAR MOUNTAINS





# Maiden Mineral Resource declared



- Maiden Resource declared at Olgal
- 210 million tonnes at 0.4% Cu and 0.4 g/t Au
- 840,000 tonnes of contained copper
- 2.9 Moz contained gold

Cu cut-off grade %	Mt	% Cu	g/t Au	Mt Cu	Moz Au
0.20	450	0.3	0.3	1.4	4.5
0.30	210	0.4	0.4	0.84	2.9
0.40	80	0.5	0.6	0.40	1.6

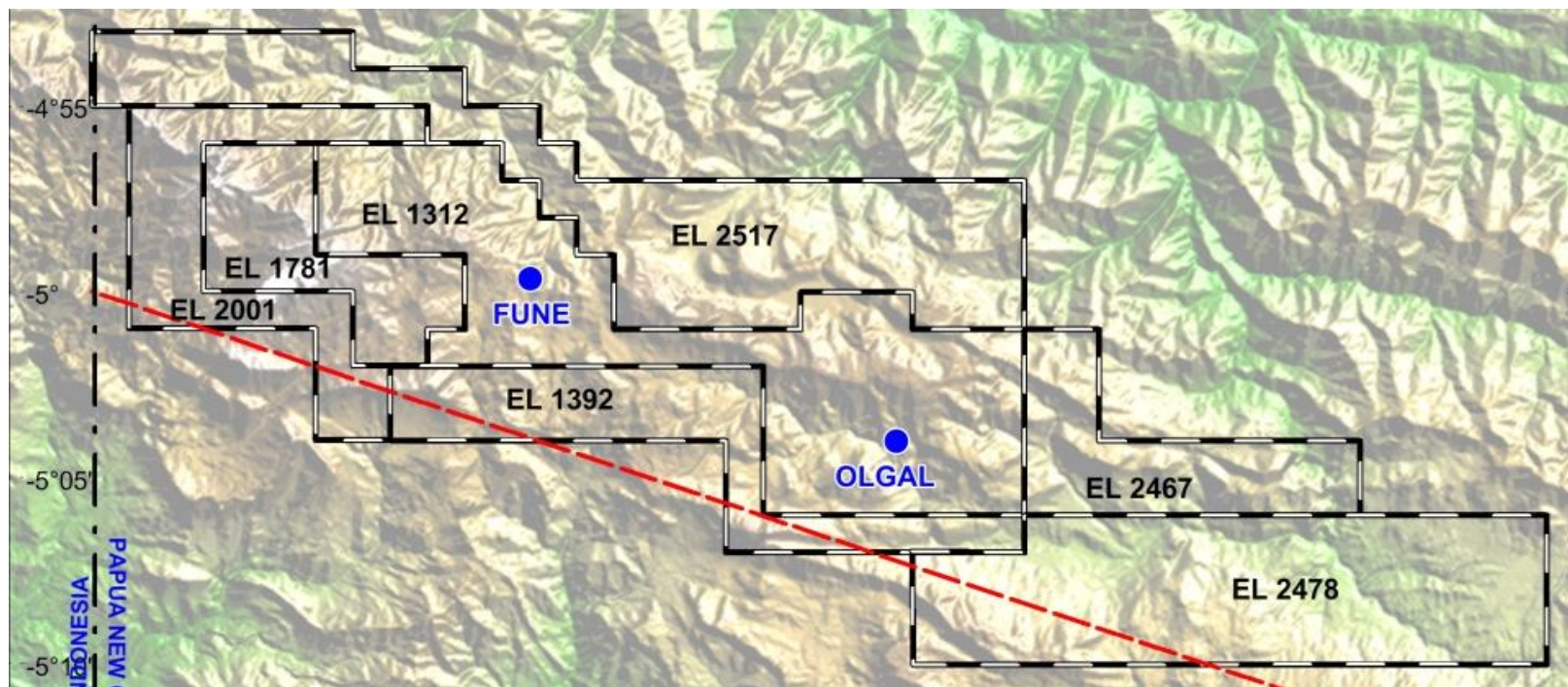
# Extensive exploration conducted



- Kennecott discovery of Ok Tedi in 1969
- 1971, Kennecott drilled five holes for 1065m at Olgal/Futik
- 2010, Highlands commenced drilling
- 2012 – Highlands drilled 17 holes for 5587m.
- 2015-17, Highlands and Anglo drilled 16 holes for 11,007m
- Tenement wide Aeromag survey completed at 100m spacing and inversion modelling
- Tenement wide Lidar survey
- IP surveys at Olgal / Futik and Kum Kom
- Geological mapping (Olgal, Kum Kom, Rattatat, Futik)
- ZTEM survey at 200m spacing
- Total exploration expenditure to date exceeding \$60 million



# Exciting exploration potential



- Olgal resource covers only part of Star Mountains tenement package of 1049 sq kms
- Significant potential for additional discovery at other prospects within the tenements
- Drilling results include:
  - Olgal - 596m at 0.61%Cu and 0.85g/t gold, as well as 22m at 1.42%Cu and 0.57g/t gold
  - Fune - 15m @ 0.52% Cu, 0.21g/t Au, from surface and 33m @ 0.62% Cu, 0.20g/t Au, from 114m

*For full details see ASX releases of June 8, August 28 and September 13, 2017.*

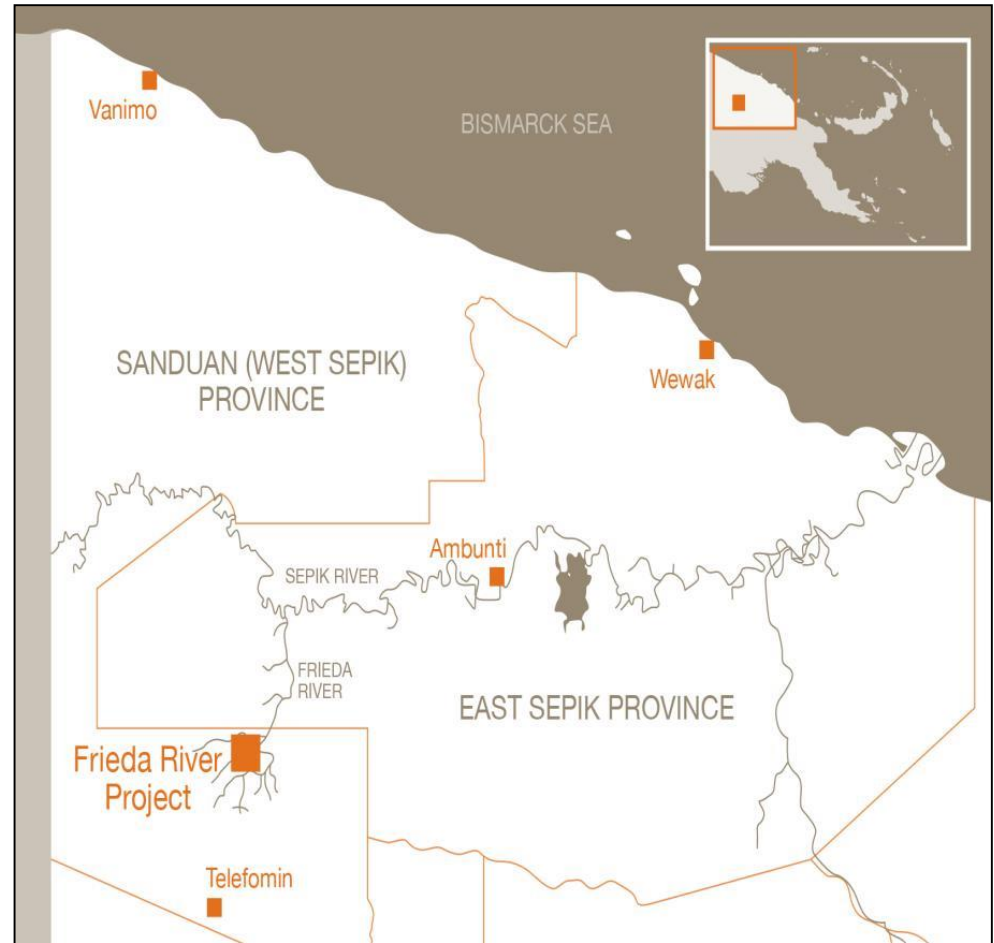


# FRIEDA RIVER



# Enhanced designs being investigated

- Frieda Resource of 13 MT Cu and 21 Mozs Au
- Special Mining Lease application lodged with MRA June 2016
- EIS lodged with CEPA Dec 2016
- Addendum released March 2017 with enhanced economics
- Potential design enhancements being investigated



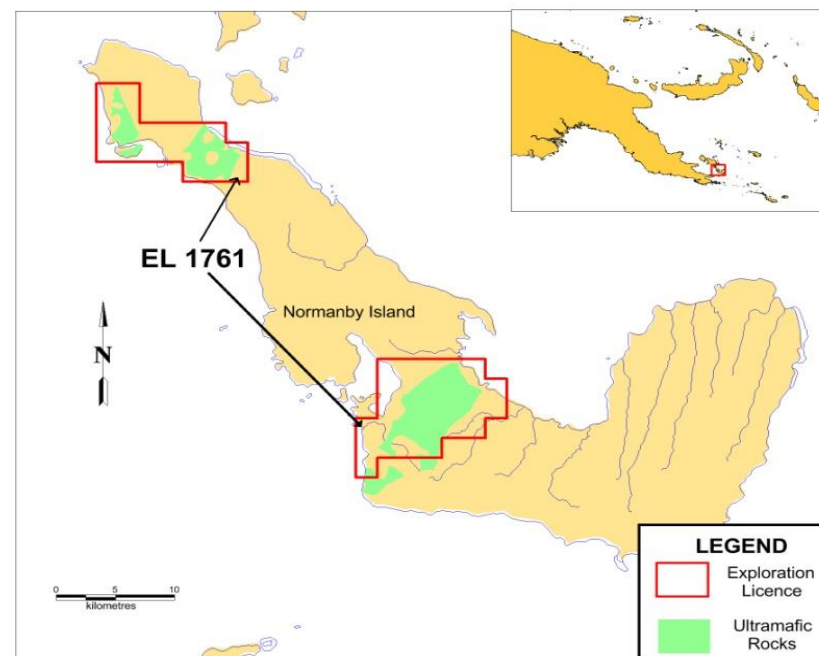


# SEWA BAY

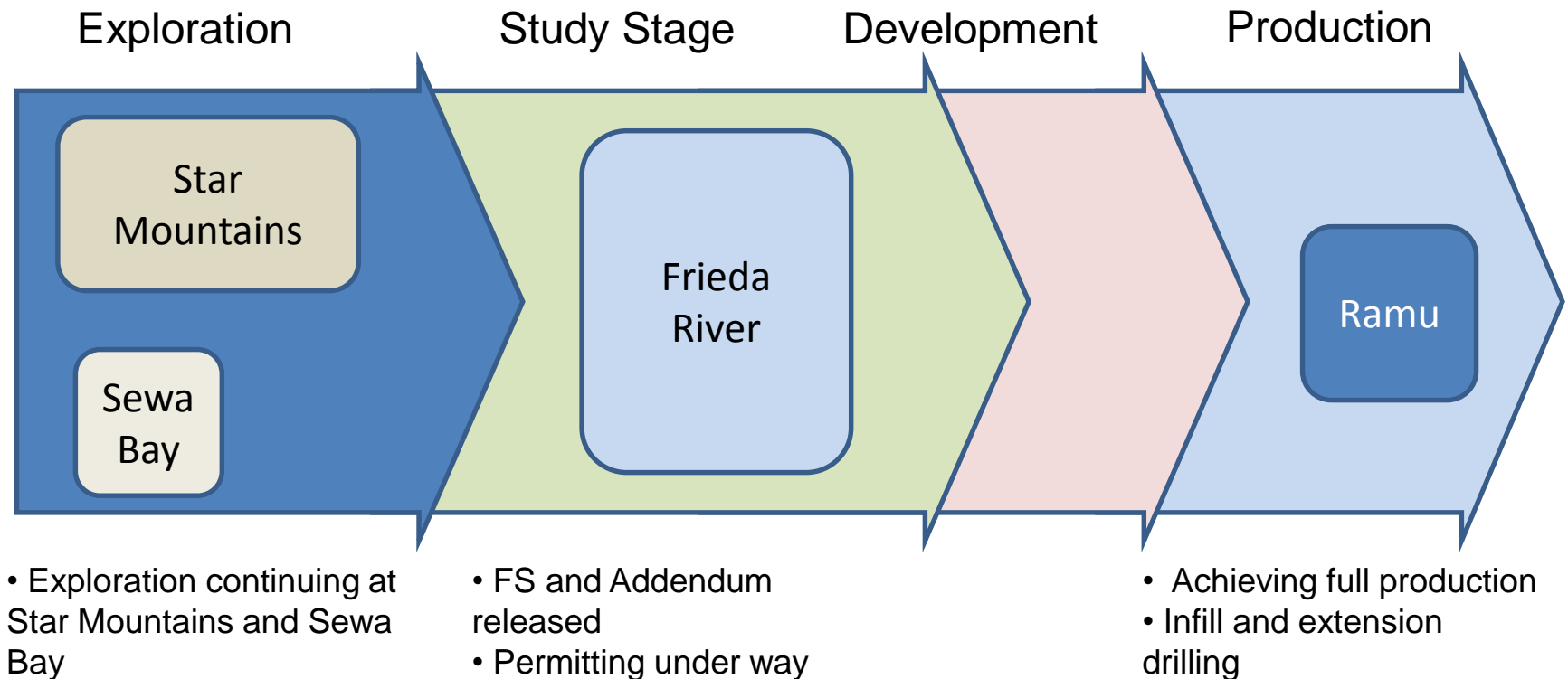


# Nickel laterite exploration upside

- Potential direct-shipping export nickel laterite project
- Exploration partnership with Japanese trading house Sojitz/Pacific Metals
- Positive nickel laterite results from previous drilling campaigns
  - 1.1 metres at 1.61% Ni from surface
  - 1 metre at 1.43% Ni from surface
  - 2.4 metres at 1.42% Ni from surface
  - 1 metre at 1.41% Ni from surface
  - 1.9 metres at 1.4% Ni from surface\*
- LIDAR program completed. Next stage being considered
- Exploration funded by Sojitz/Pacific Metals



# Well established project pipeline







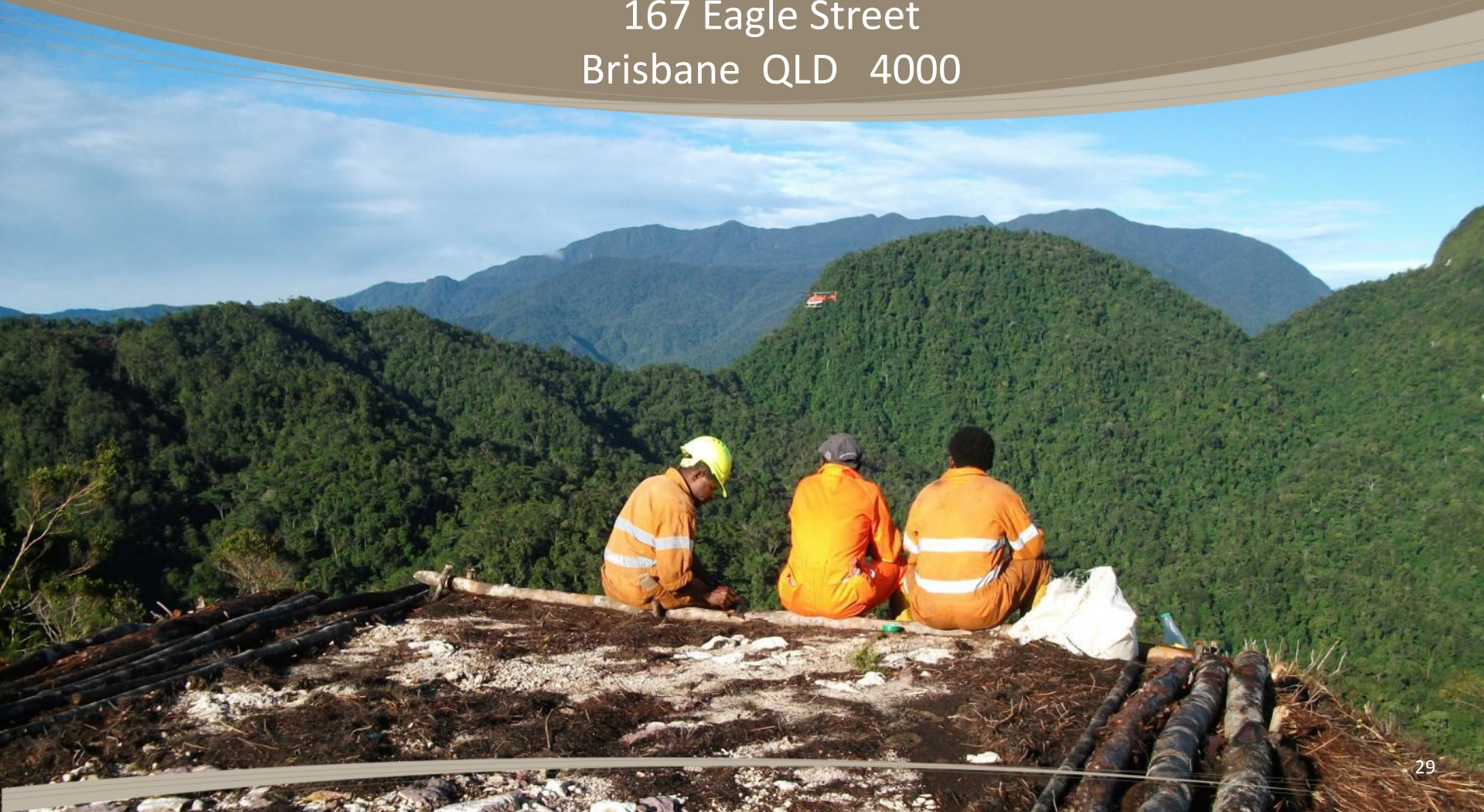
[www.highlandspacific.com](http://www.highlandspacific.com)

Tel. 07 3239 7800

Level 4

167 Eagle Street

Brisbane QLD 4000



# Frieda River (HITEK) Resource

The Frieda River Copper-Gold Project exploits the HITEK deposit, which is a large-scale porphyry-style copper-gold deposit with low concentrations of deleterious elements. The Mineral Resource estimates are reported under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).

## January 2017 HITEK Mineral Resource

Classification	Tonnes (Mt)	Copper (%)	Gold (g/t)
Measured	620	0.53	0.30
Indicated	1,240	0.44	0.22
<b>M+I subtotal</b>	<b>1,860</b>	<b>0.47</b>	<b>0.25</b>
Inferred	780	0.35	0.18
<b>MII total</b>	<b>2,640</b>	<b>0.44</b>	<b>0.23</b>

*Copper cut-off grade 0.2% (total copper).*

*This Mineral Resource is reported on a 100% ownership basis.*

*May include minor computational errors due to rounding.*

*The HITEK Mineral Resource is constrained within Revenue Factor 1.5 shell, (US\$4.95/lb Cu, US\$2,175/oz Au)*

*"FRL\_HITEK\_V3\_25x25x15\_1608v1e HIT-MII EK-MII\_Shell\_06\_1.5.sft".*

## Competent Person Statement

### Mineral Resources

*The data in this report that relate to Mineral Resources for Frieda River are based on information reviewed by Mr Shaun Versace who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Versace is a full time employee of PanAust Limited. Mr Versace has sufficient experience relevant to the style of mineralisation 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 Versace consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.*

*The information on the HITEK Resource is extracted from the report entitled "2017 Horse/Ivaal/Trukai/Ekwai/Koki (HITEK) Deposit Frieda River Mineral Resource and Ore Reserve Statements" created on 24 March 2017 and available on the Company website. No additional resource drilling or modelling has taken place for the HITEK deposit since the 2017 Resource and Reserve Report.*

## Nena Mineral Resource estimate (copper cut-off grade 0.3%)

Category	MT	Cu(%)	Au(g/t)	As(%)	Sb(ppm)
Indicated	33	2.81	0.65	0.22	153
Inferred	12	1.84	0.45	0.14	88
<b>Total</b>	<b>45</b>	<b>2.55</b>	<b>0.60</b>	<b>0.20</b>	<b>136</b>

### Competent Person Statement

*Details contained in this report that pertain to the Nena Resource Estimates are based upon, and fairly represent, information and supporting documents compiled by Mr Paul Gow. Mr Gow is a Member of The Australasian Institute of Mining and Metallurgy and was a full-time employee of Glencore Xstrata plc at the time the estimate was prepared. Mr Gow has sufficient experience which is relevant to the style of mineralisation 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 Gow 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 on the Nena Resource is extracted from the report entitled "Frieda – Mineral Resource and Ore Reserve" created on 14 March 2014 and available on the Company website.*

# Frieda River (HIT) Ore Reserve

## 2017 HITEK Ore Reserve estimate

Classification	Tonnes (Mt)	Copper (%)	Gold (g/t)
Proved	413	0.54	0.32
Probable	272	0.45	0.21
Ore Reserves	686	0.50	0.28

*The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.*

*This Ore Reserve is reported on a 100% ownership basis.*

*May include minor computational errors due to rounding.*

*The Frieda River Ore Reserve is estimated at commodity prices of US\$3.30/lb copper and US\$1,455/oz gold subject to a floating value<sup>1</sup> based cut-off grade. The representative average copper only cut-off grade is 0.21% copper.*

*<sup>1</sup>Potential mill feed is determined on a net mill value basis and incorporates the influence of metal recovery, ore processing costs and revenue.*

## Competent Person

### Ore Reserves

*The data in this report that relate to Ore Reserves for the Frieda River Project are based on information reviewed by Mr Scott Cowie who is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy (MAusIMM CP). Mr Cowie is a full time employee of PanAust Limited. Mr Cowie has sufficient experience relevant 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 Cowie consents to the inclusion in the report of the Ore Reserves in the form and context in which they appear.*

*The information on the HITEK Reserve is extracted from the report entitled "2017 Horse/Ivaal/Trukai/Ekwai/Koki (HITEK) Deposit Frieda River Mineral Resource and Ore Reserve Statements" created on 24 March 2017 and available on the Company website.*

*Highlands confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Highlands confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

The information on the Horse-Ivaal, Trukai, Ekwai and Koki Resource and the HITEK Reserve is extracted from the report entitled “Feasibility Report Addendum (January 2017) released on 3 March 2017 and available on the Company website. No additional resource drilling or modelling has taken place for the Horse-Ivaal-Trukai, Ekwai and Koki deposits since the release of the Resource and Reserve Report included in the Addendum.

The information on the Nena Resource is extracted from the report entitled “2014 Mineral Resource and Ore Reserve Statements” created on 14 March 2014 and available on the Company website. No additional resource drilling or modelling has taken place for the Nena deposit since the 2014 Resource and Reserve Report

Highlands confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Highlands confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.



# Ramu Mineral Resource 2017

Category	Tonnes (MT)	Average grade (%)	
		Ni	Co
Measured	34	0.9	0.1
Indicated	42	0.9	0.1
Subtotal	76	0.9	0.1
Inferred	60	1.0	0.1
Total	136	0.9	0.1

*Totals may not equal the sum of the component parts due to rounding adjustments.*

*Ore tonnes (dry) represent the -2 mm economic portion of resource mineralization in the rocky saprolite*

## **Competent Person Statement**

### **Mineral Resources**

*The information in this report that relates to the Ramu Mineral Resources is based on information compiled by Zhang Xueshu, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Zhang Xueshu is a full-time employee and Chief Geologist of Sinomine Resources Exploration Co and has sufficient experience which is relevant to the style of mineralisation 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 Zhang Xueshu 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 on the Ramu Mineral Resource is extracted from the report entitled "Ramu Mineral Resource and Ore Reserve Update 2018" released on 10 September 2018 and available on the Company website.*



# Ramu Ore Reserve 2017

Category	Tonnes (MT)	Average grade (%)	
		Ni	Co
Proved	24	0.9	0.1
Probable	33	0.9	0.1
Total	56	0.9	0.1

Totals may not equal the sum of the component parts due to rounding adjustments.

Ore tonnes (dry) represent the -2 mm economic portion of resource mineralization in the rocky saprolite.

Based on a nickel price of US\$12,000/t, and cobalt price of US\$48,501/t.

## Competent Person Statement

### Mineral Resources

The information in this report that relates to the Ramu Ore Reserves is based on information compiled by Mr Gao Xiang, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Gao Xiang is a part-time employee of Sinomine Resources Exploration Co and has sufficient experience which is relevant to the style of mineralisation 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 Gao Xiang 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 on the Ramu Ore Reserve is extracted from the report entitled "Ramu Mineral Resource and Ore Reserve Update 2018" released on 10 September 2018 and available on the Company website.*

*Highlands confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Highlands confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

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=  $Cu \% + Au(g/t) \times 0.53$ ; 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 was an employed by Highlands Pacific Limited, now a consultant to Highlands Pacific. 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.