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## **Kainantu Gold Project**

### **Debt Financing Mandate Awarded to ABN AMRO**

Highlands Pacific Limited (ASX: HIG, POMSoX: HIG) has appointed ABN AMRO Australia Limited to raise a USD\$25 million debt facility to be used for the development of the high-grade Kainantu gold project.

Under the arrangement, ABN AMRO will also provide a USD\$3 million bridging facility to fund the work required to complete the bankable feasibility study.

Managing Director of Highlands Pacific, Mr Ian Holzberger, said that the appointment of ABN AMRO was a significant milestone in the development of the Kainantu gold project.

"ABN AMRO and Highlands Pacific will now work closely to define the scope of the project which will allow banking to be finalised. We expect financing to be completed during the first quarter of 2003."

The USD\$3 million bridging facility will provide Highlands Pacific with sufficient funds to complete the bankable feasibility study and pre-commit to some long lead time items as required.

Highlands Pacific and ABN AMRO have agreed to a detailed term sheet for the financing, which sets out the requirements for the project to proceed.

In the process of negotiating the mandate and the term sheet, ABN AMRO and their technical expert have undertaken a review of all technical aspects of the project.

#### **About Kainantu**

Located in the Eastern Highlands' Province of PNG, the Kainantu gold project (100% Highlands Pacific) consists of three exploration licences totalling 261 square kilometres encompassing the high-grade Kainantu goldfield.

A feasibility study completed in December 2001 indicates that an underground gold mine producing 100,000 - 120,000 ounces of gold per annum at an average head grade of around 32g/t gold over approximately 7 years (based on the current estimated mineral resource) would provide very attractive returns to Highlands shareholders.

Recent drilling has focussed on the Irumafimpa lode where the current resource is estimated at 1,012,000 tonnes at 32.4 g/t gold cut or 38.3 g/t gold uncut.

The project is rapidly advancing with the recent granting of the Mining Lease and approval of the Environmental Plan.

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*Released on behalf of Highlands Pacific by Farrington National*

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