



HIGHLANDS PACIFIC LIMITED ARBN 078 118 653
Incorporated in Papua New Guinea

Registered Office

PO Box 1486
Level 9 Pacific Place
Musgrave Street
Port Moresby NCD 121
Papua New Guinea

Telephone: (675) **321 7633**
Facsimile: (675) 321 7551

Email: info@highlandspacific.com
Website: www.highlandspacific.com

Registered Office in Australia

GPO Box 3086
Level 4 Telstra House
167 Eagle Street
Brisbane Qld 4001
Australia

Telephone: (617) **3239 7800**
Facsimile: (617) 3221 6727

4 March 2005

Outstanding drill results at Kora will increase Kainantu mine life

The recently completed 18 hole drilling programme at Kora has added a further 520,000 ozs to the gold resource, bringing the total inferred resource of Kora to 820,000 ozs of gold at 29g/t gold. Previous drilling at Kora had outlined an inferred resource containing 300,000 ozs at 29g/t gold.

Kora is only 1km south of the Irumafimpa ore deposit on which the Kainantu Mine is being developed. The Kora deposit will be accessed by the further development of the underground mine at Irumafimpa (as illustrated below). The grades at Kora are directly comparable to the resource grades reported for the Irumafimpa deposit.

The overall gold resource of the Kainantu Project - including both the Kora and Irumafimpa deposits - has been increased to 1,770,000 ozs of gold at grade of 24g/t gold, including the current mining reserve. Highlands Pacific is confident that the increase to the resource will significantly increase the life of its Kainantu Gold Mine currently under development.

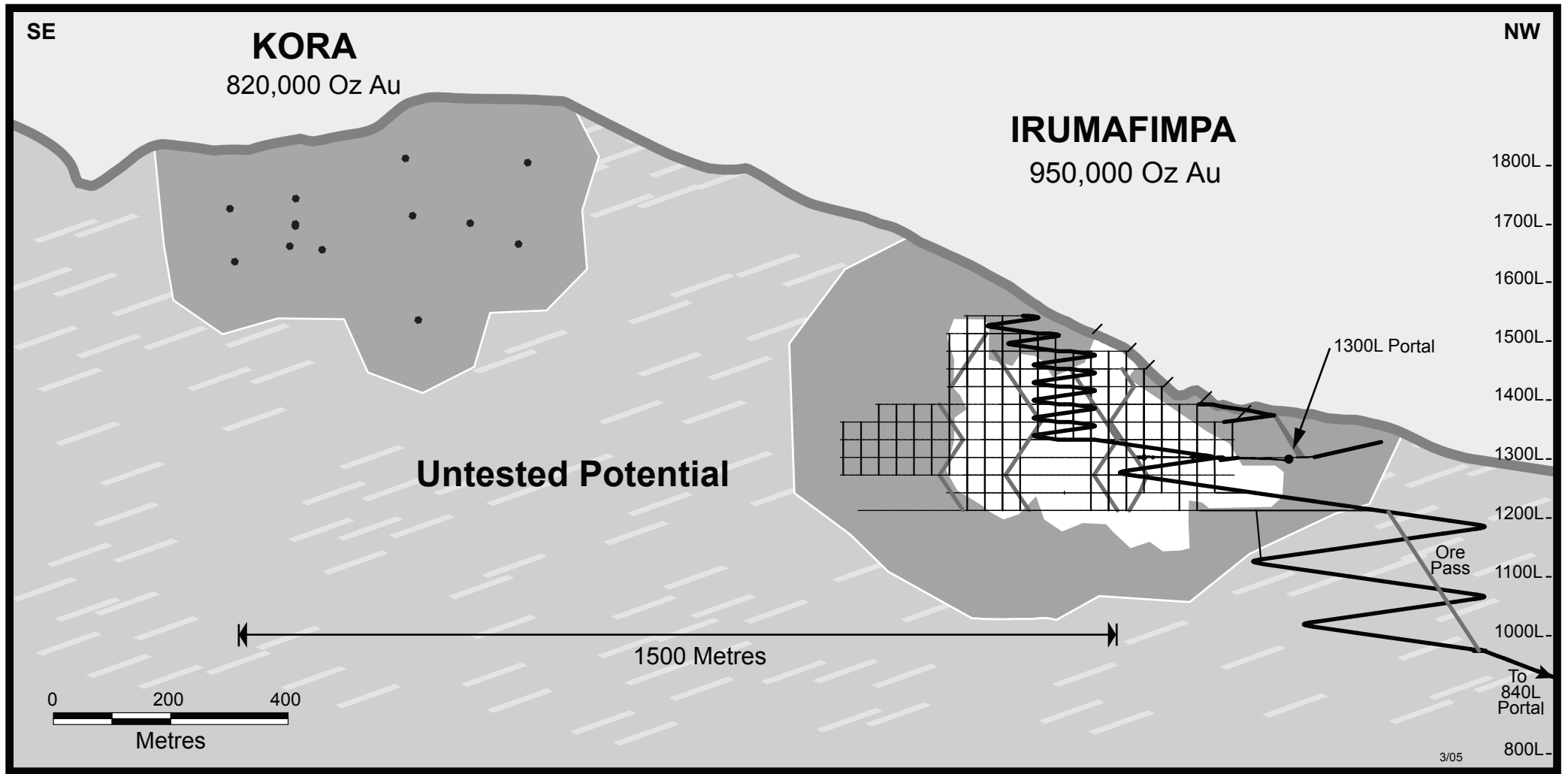
The updated Kora resource estimates and the current estimate for Irumafimpa are shown in Table 1.

Given the consistent geology and the apparent continuity of gold lodes, there are excellent prospects of further gold discoveries throughout the untested area between Kora and Irumafimpa, and at depth below both resource areas.

The global gold resource identified at Kora is classified as inferred on the basis of the current drilling pattern. From experience gained in converting the Irumafimpa inferred resource to indicated status, it can be expected that further definition drilling at Kora will result in most of the Kora resource being similarly elevated to the indicated category.

The drilling programme at Kora was completed in early January 2005 with a total of 18 holes for 4,475m drilling on a nominal 100mX100m pattern. The drilling results are detailed in Table 2.

KAINANTU ORE SYSTEM



• Kora Drill Holes

□ Mineable Reserve

■ Inferred Resource

▨ Untested Potential

This program of drilling tested the gold bearing veins over a strike length of some 600m, and to a vertical depth of 300m. Two main veins intersected have been identified as the East and West veins and these can generally be correlated with the ore bearing veins being developed at the Irumafimpa minesite. The veins are mainly vertical and continuous over the length and depth of the area drilled, with mineralisation open at depth and to the south.

The veins have been identified in the drill hole intercepts using alteration and characteristics of the vein mineralogy. It was noted that the veins are generally higher in copper and silver than at Irumafimpa. This is especially true of the West vein which suggests primary mineral zoning and a possible source to mineralisation at depth, further to the south.

The Kora resource has been calculated for the two main veins, East and West veins, using the drill hole centered polygonal method. In this method polygons are oriented in the plane of each vein and assigned the composited grade and true width of the drill hole intercept. Each polygon has an area of influence of not greater than 125m except where they adjoin adjacent polygons.

By way of background, Kainantu is being developed as a high-grade underground gold mine designed to produce 115,000 ozs gold annually. First production is expected early in the December quarter.

Table 1 - Irumafimpa and Kora Resource estimate at 5g/t gold lower cut off

	Indicated		Inferred		Total		Contained ozs
	Tonnes	g/t Au	Tonnes	g/t Au	Tonnes	g/t Au	Au
Irumafimpa							
Puma Lode	170,000	18			170,000	18	95,000
Mill Lode	330,000	26	370,000	27	700,000	26	590,000
Robinson Lode	180,000	14	370,000	15	550,000	15	260,000
Total - Irumafimpa	670,000	21	740,000	21	1,410,000	21	940,000

	Indicated		Inferred		Total		Contained ozs
	Tonnes	g/t Au	Tonnes	g/t Au	Tonnes	g/t Au	Au
Kora							
East Lode			520,000	23	520,000	23	380,000
West Lode			380,000	36	380,000	36	440,000
Total Kora			900,000	29	900,000	29	820,000

	Indicated		Inferred		Total		Contained ozs
	Tonnes	g/t Au	Tonnes	g/t Au	Tonnes	g/t Au	Au
Total Kainantu Project	670,000	20	1,640,000	25	2,320,000	24	1,770,000

Notes

- Inferred resource based on drill hole centred polygonal method
- Diamond drill core sawn and half core dispatched for assay.
- Metal factor cut off of 150gxm was applied on a per sample basis
- Gold assays by fire assay using a 50gm charge.
- Bulk density of 2.9g/cc used based on measurements at Irumafimpa.
- The information in this resource statement is based on information compiled by Larry Queen, Greg De Ross, Ross Logan and Tony Bainbridge who are Members of the Australian Institute of Mining and Metallurgy. All have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competant Persons as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral resources and Ore Reserves". All consent to the inclusion in this report of the resource estimate in the context and form in which it appears.

Table 2 - Drill Hole Intercepts at Kora

Hole No	North (m)	East (m)	RL (m)	From	To	Int (m)	Au (g/t)	Ag (g/t)	Cu %	Vein	
048BD02	58399	29853	1779	66	69	3.0	12.7	62	2.1	East	
				73	74	1.0	15.7	11	0.2		
049BD02	58556	29722	1770	116	118	2.0	99.8	435	0.2	West	
				163	164	1.0	43.0	95	8.8	East	
050BD02	58511	29852	1799	73	75	2.0	17.9	50	7.5	East	
				92.5	93	0.5	17.3	9	0.1		
051BD02	58511	29852	1799	105.5	106.5	1.0	85.6	83	7.5	East	
051RBD02	58511	29852	1799	109	111	2.0	138.6	16	3.8	East	
				171	174	3.0	9.4	11	0.3	West	
080BD04	58600	29776	1814	50.7	53	2.3	2009.0	21	0.3	West	
				56	61	5.0	4.9	77	3.5		
081BD04	58600	29742	1810	142	143	1.0	14.6	15	0.1	West	
				147	152	5.0	7.1	14	0.2		
082BD04	58600	29664	1793	311	313	2.0	23.6	60	7.9	West	
083BD04	58700	29726	1893	155	156	1.0	0.1	6	0.0	West	
				218.5	220	1.5	38.5	100	9.6	East	
085BD04	58900	29776	1940	153	154	1.0	5.7	57	0.3	East	
086BD04	58700	29668	1868	304	310	6.0	4.4	17	0.4	West	
				inc	305	306	1.0	19.3	39		0.6
					388	395	7.0	5.8	32		2.0
				inc	394	395	1.0	25.4	118		5.1
087BD04	58800	29742	1928	204.5	207.7	3.0	2.2	3	0.0	East	
				250.5	251.5	1.0	15.6	32	4.3		
088BD04	58700	29775	1868	73	87	14.0	3.2	83	4.9	East	
				81	82	1.0	10.0	211	9.1		
089BD04	58900	29750	1928	222	224	2.0	6.4	81	3.8	West	
				243.8	245.6	1.8	5.1	40	1.9		
090BD04	58800	29694	1894	295.8	297.8	2.0	12.4	23	0.9	West	
091BD04	58400	29922	1826	215	218	3.0	27.4	61	4.1	East	
092BD04	58900	29712	1909	265.7	266.7	1.0	1.1	14	2.1	East	
				296	297	1.0	1.0	10	1.4	West	
093BD04	58500	30012	1898	192.3	193.1	0.8	44.9	17	1.3	East	

JEFF I FORBES
Acting Chief Executive Officer

Phone: (61 7) 3239 7800
 Mobile: 0408 756 790
 Email: jif@highlandspacific.com