



21 April 2016

Ramu Nickel Operations Suspended

Highlands Pacific Ltd (ASX:HIG) has been advised that operations at the Ramu Nickel process plant near Madang in PNG will be suspended for the duration of an investigation into the recent fatality of a plant worker.

The length of the investigation, being conducted by the PNG Mineral Resources Authority and the Mines Inspectorate, remains uncertain.

Highlands holds an 8.56% interest in the Ramu joint venture, which is majority owned and operated by Chinese group Metallurgical Corporation of China Ltd (MCC).

As previously advised, the fatality of a Chinese employee occurred on April 12, 2016, when a high pressure steam supply line ruptured at the Basamuk nickel refinery. Two other PNG workers were injured and transported to hospital for treatment.

MCC immediately halted operations at the plant, which remains on care and maintenance.

One of the injured workers has since been released from hospital, and the other is recovering.

MCC is providing full support to the family of the deceased worker and his injured colleagues.

The plant shut down will effect nickel production in the current year, however the extent of the impact will not be known until the length of the shut down is clarified and any required rectification work is completed.

**For further information
Joe Dowling
GM Investor Relations
0421587755**



ASX Code: HIG

PoMSox Code: HIG

Shares on Issue: 928 million

Performance Rights: 30 million

Directors

Ken MacDonald, Chairman
John Gooding, Managing Director
Mike Carroll
Dan Wood
Bart Philemon

Management

Craig Lennon, CFO & Co.Sec
Larry Queen, Chief Geologist
Peter Jolly, GM Projects
Ron Gawi, GM Port Moresby
Leslie Nand, GM Exploration Projects
Joe Dowling, GM Investor Relations and Communications

Investor and Media Enquiries to:

Joe Dowling - 0421 587755

Website:

www.highlandspacific.com

About Highlands Pacific Limited

Highlands Pacific is a PNG incorporated and registered mining and exploration company listed on the ASX and POMSoX exchanges. Its major assets are interests in the producing US\$2.1bn Ramu nickel cobalt mine and the Frieda River copper gold project; with exploration in progress in the Star Mountains. Highlands also has exploration tenements on Normanby Island (Sewa Bay).

Star Mountains Prospects*

The Star Mountains exploration tenements, which include Nong River EL1312, Mt Scorpion EL1781, Munbil EL2001 and Tifalmin EL1392, are located approximately 20km north of the Ok Tedi mine, in the West Sepik Province, PNG. They lie within the highly prospective New Guinean Orogenic Belt, which hosts the Grasberg, Ok Tedi, Porgera and Hidden Valley mines, as well as the Frieda deposit. The joint venture with partner Anglo American substantiates the world class potential and has enabled an extensive exploration program to be commence in 2015.

Ramu Nickel Cobalt Mine

The producing Ramu nickel cobalt mine is located 75km west of the provincial capital of Madang, PNG. Highlands 8.56% interest in Ramu will increase to 11.3% at no cost to Highlands after repayment of its share of the project debt. Highlands also has an option to acquire an additional 9.25% interest in Ramu at fair market value, which could increase the company's interest in the mine to 20.55%, if the option is exercised. The project's operator and majority owner is Hong Kong and Shanghai listed Metallurgical Corporation of China Limited (MCC).

Frieda River Copper/Gold Project*

The Frieda River copper gold project is located 175kms north-west of the Porgera gold mine and 75km north-east of the Ok Tedi mine. Highlands has a 20% interest in the project and Frieda River Limited (FRL) (a wholly owned subsidiary of PanAust Limited which in turn is a wholly owned subsidiary of Guangdong Rising Assets Management Co. Ltd.) holds 80%. FRL will be responsible for 100% of the costs incurred by the Frieda River Joint Venture to finalise the definitive feasibility study for FRL's development concept and fund the cost of an independent expert to be appointed by the joint venture to provide a peer review. FRL will also be responsible for 100% of the costs to maintain the Frieda River project site, assets and community relations programmes up to the point in time of lodgment of the Mining Lease or Special Mining Lease application with the requisite definitive feasibility study.

* Subject to the right of the Independent State of Papua New Guinea to acquire up to a 30% equity interest in any mining development in the country.