



8 November 2016

Additional nickel exploration work planned for Sewa Bay

Highlands Pacific Limited (ASX: HIG) and international trading house Sojitz Group, together with Japanese company Pacific Metals Co. Ltd., are to advance to the next stage of exploration at Highland's Sewa Bay tenements in Milne Bay Province, PNG where significant nickel mineralisation previously has been identified.

The exploration activity will include an airborne laser and imagery (LIDAR) survey over the 200 sq km tenement area, to provide detailed topographical mapping.

The exploration program will be funded by Sojitz and Pacific Metals, and follows an extensive auger drilling program carried out in 2015, which encountered intercepts including:

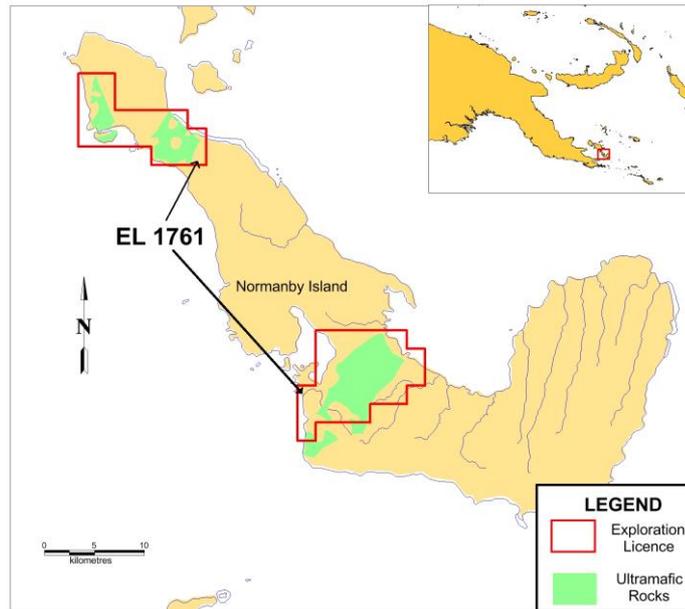
- 1.1 metres at 1.61% Ni from surface
- 1 metre at 1.43% Ni from surface
- 2.4 metres at 1.42% Ni from surface
- 1 metre at 1.41% Ni from surface
- 1.9 metres at 1.4% Ni from surface

As a result of the auger drilling program, two main areas of mineralisation above 1% nickel were identified covering an area of 7 square kilometres.

For full results, see ASX announcement released on August 18, 2015, entitled "Sewa Bay Update". Highlands confirms that it is not aware of any additional information that materially affects the information included in the original announcement.

Highlands Pacific Managing Director John Gooding said the ongoing commitment of Sojitz and Pacific Metals provide the opportunity to press on with further work to investigate the exciting prospectivity of the Normanby Island tenements.

"We are delighted to be working with Sojitz and Pacific Metals to continue exploration at Sewa Bay, as we remain optimistic that the area has the potential to host a significant nickel laterite deposit," he said.



Exploration Licence EL 1761 is located on Normanby Island near Esa'ala and Sewa Bay in the Milne Bay Province, located on the south eastern side of the mainland of PNG. Highlands Pacific has held the licence since March 2012.

About the Sewa Bay Nickel laterites:

Highlands currently has an exploration tenement covering the western portion of Normanby Island in the D'Entrecasteaux group of Islands, Milne Bay Province. The ground was taken up to explore the potential of known nickeliferous laterite that has developed over exposures of Cretaceous Ultramafic rocks. A scout soil auger programme undertaken in July 2013 confirmed the extent of the ultramafic bedrock (dunites and pyroxenites) and the wide spread development of laterite soil over these rocks. Thickness of the laterite soil varied from 0 metres on the slopes to +3 metres over the low relief benches and hilltops.

<http://www.highlandspacific.com/current-projects/exploration>

About Sojitz:

Sojitz Corp is listed on the Tokyo Stock Exchange. As a general trading company, the Sojitz Group is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects, in Japan and overseas. The Group also invests in various sectors and conducts financing activities. The broad range of sectors in which Sojitz operates includes those related to automobiles, plants, energy, mineral resources, chemicals, foodstuff resources, agricultural and forestry resources, consumer goods, and industrial parks.

About Pacific Metals:

Pacific Metals Co Ltd. is a Japanese company listed on the Tokyo Stock Exchange. The company manufactures and sells ferronickel products. The Group engages in the complete production cycle from smelting ore, to product creation, to sales and waste recycling.

For further information, please contact:

Joe Dowling
Stockwork Corporate Communications
0421 587755



ASX Code: HIG

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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 & MD/CEO Elect
Ron Gawi, GM Port Moresby
Leslie Nand, GM Exploration Projects

Investor and Media Enquiries to:

Joe Dowling
Stockwork Corporate
Communications - 0421 587755

Website:

www.highlandspacific.com

About Highlands Pacific Limited

Highlands Pacific is a mining and exploration company registered and incorporated in PNG and listed on the Australian and Port Moresby stock exchanges. Highlands has a long history of successful exploration and project development in PNG. The Company was formed in 1997 and has since established an impressive suite of projects providing investors with leveraged exposure to copper, nickel and gold. Its major assets are interests in the producing Ramu nickel cobalt mine and the Frieda River copper gold project, with exploration in progress at the highly prospective Star Mountains tenements. Highlands also has exploration territory on Normanby Island (Sewa Bay), at the south eastern tip of PNG. Through the efforts of its highly experienced staff, the Company is committed to the responsible development of mining projects for the benefit of all its stakeholders, including shareholders, landowners, business partners and the broader PNG community.

Star Mountains Prospects

The Star Mountains exploration tenements 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 Star Mountains project is held within a joint venture with partner Anglo American plc.

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.

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.) 80%.