



14 July 2017

Frieda River Arbitration

Highlands Pacific Limited's (ASX: HIG) wholly-owned subsidiary Highlands Frieda Limited and its Frieda River project joint venture partner Frieda River Limited (a wholly-owned subsidiary of PanAust Limited), have commenced arbitration proceedings to resolve a dispute regarding funding of project expenditures.

As announced previously, Highlands Frieda Limited and Frieda River Limited are in dispute regarding the parties' obligations under the joint venture agreement, including whether Highlands is obliged to commence funding of project expenditures. Highlands previously has sought to resolve the dispute through mediation, however the parties have now agreed to seek a final and binding arbitration before a sole arbitrator, with a final hearing date yet to be fixed.

**For further information, please contact:
Joe Dowling, Stockwork Corporate
Communications
0421 587755**



ASX Code: HIG

PoMSox Code: HIG

Shares on Issue: 936 million

Performance Rights: 17 million

Directors

Ron Douglas, Chairman
Craig Lennon, Managing Director
Dan Wood
Bart Philemon
John Wylie

Management

Sylvie Moser, CFO & Co.Sec
Ron Gawi, GM Port Moresby
Leslie Nand, GM Exploration Projects

Investor and Media Enquiries to:

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About Highlands Pacific Limited

Highlands Pacific is a PNG incorporated and registered mining and exploration company listed on the ASX and POMSx exchanges. Its major assets are interests in the producing Ramu nickel cobalt mine and the Frieda River copper gold project; with exploration in progress in the Star Mountains. Highlands also has exploration tenements at 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 undertaken since 2015.

Ramu Nickel Cobalt Mine

The 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 (a wholly owned subsidiary of PanAust Limited which in turn is a wholly owned subsidiary of Guangdong Rising Assets Management Co. Ltd.) holds 80%.