



19 July 2017

Star Mountains management to be transferred

Highlands Pacific Ltd (ASX:HIG) will transfer management of the Star Mountains exploration project to its joint venture partner, Anglo American plc, following Anglo American delivering the required project expenditure of US\$25 million since 2015.

Under the joint venture agreement that was executed in February 2015, Anglo American acquired the rights to an initial 51% interest in the Star Mountains project by paying Highlands US\$10 million. That 51% ownership interest was then to be earned in phases, with 15% vesting upon a farm-in spend of US\$25 million within the first four years, and the remaining 36% vesting upon the declaration of an NI43-101/JORC compliant inferred resource of 3 million tonnes of contained copper equivalent within 5 years.

The first hurdle of US\$25 million in project expenditure has been achieved, thereby earning Anglo American its first 15% ownership interest, also triggering the transfer of project management to Anglo American.

Highlands CEO Craig Lennon said he was pleased to see the exploration program proceeding as envisaged in the original agreement.

“We have an excellent relationship with Anglo American, and welcome its ongoing commitment to the exciting Star Mountains project. Exploration is advancing steadily and drilling results continue to suggest the tenements may host a large copper porphyry that could ultimately underpin a significant copper and gold mining project,” he said.

A number of extensive drilling campaigns have been completed at Star Mountains over recent years. The current campaign, funded by Anglo American, commenced in October 2016. Five holes have now been completed in this campaign with additional holes to be drilled by the end of August 2017.

Anglo American can move to an 80% interest in the Joint Venture by completing a Bankable Feasibility Study by 2030.

**For further information, please contact:
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About the Star Mountains Exploration Tenements:

The 100% Highlands owned Star Mountains exploration tenements, which include Nong River EL1312, Mt Scorpion EL1781, Munbil EL2001, Tifalmin EL1392 and Mt Abemh EL2467, cover 675 sq kms and are located approximately 20km north east of the Ok Tedi mine and 25kms from the support town of Tabubil, in the West Sepik Province of PNG. <http://www.highlandspacific.com/current-projects/star-mountains>

About Anglo American:

Anglo American is a globally diversified mining business. Its portfolio of world-class competitive mining operations and undeveloped resources provides the raw materials to meet the growing consumer-driven demands of the world's developed and maturing economies. Anglo's people are at the heart of its business. Its people use the latest technologies to find new resources, plan and build its mines and mine, process, move and market its products – from diamonds (through De Beers) to platinum and other precious metals and copper – to its customers around the world. As a responsible miner, Anglo American is the custodian of those precious resources. It works together with its key partners and stakeholders to unlock the long-term value that those resources represent for its shareholders, but also for the communities and countries in which it operates – creating sustainable value and making a real difference.



ASX Code: HIG

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Shares on Issue: 936 million

Performance Rights: 17 million

Directors

Ron Douglas, Chairman
Craig Lennon, MD/CEO
Dan Wood
Bart Philemon
John Wylie

Management

Sylvie Moser, CFO
Ron Gawi, GM Port Moresby
Leslie Nand, GM Exploration
Projects

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