

RAMU NICKEL & COBALT PROJECT

The Ramu Project, located 75km south west of the provincial capital of Madang in PNG, contains an estimated resource of 143 million tonnes at 1.01% nickel and 0.1% cobalt. The project is currently in commissioning with production estimated to begin in 2011.

The project will have annual output of 31,150 tonnes of nickel and 3,300 tonnes of cobalt contained in a high grade intermediate product over a 20-year plus mine life. Resources not yet converted to reserves have the potential to increase mine life by a further 15-20 years.

Joint Venture Structure			
85.00%	Chinese Syndicate	61.00%	MCC Ramu NiCo Limited (a subsidiary of MCC)
		13.00%	Jinchuan Group Limited
		13.00%	Jinlin Ji'en Nickel Industry Corporation Limited
		13.00%	Jiuquan Iron and Steel Group
8.56%	Ramu Nickel Limited (a subsidiary of Highlands Pacific)		
3.94%	Mineral Resources Ramu Limited (a subsidiary of MRDC)		
2.50%	Mineral Resources Madang Limited (a landowner company)		

Resource The Ramu resource is estimated at 142 million tonnes at 1.01% nickel (Ni) and 0.10% cobalt (Co).	Mineral Resources (excluding + 2mm internal rocky material)			
	Resource	Mt	Ni%	Co%
	Measured	42.4	0.93	0.11
	Indicated	29.8	1.07	0.11
	Inferred	71.0	1.04	0.10
	Total	143.2	1.01	0.10

Ore Reserves An ore reserve was defined during the feasibility study and has subsequently been reviewed by MCC.	Ore Reserves			
	Category	Mt	Ni%	Co%
	Proven	39.7	0.88	0.10
	Probable	36.0	0.94	0.09
	Total	75.7	0.91	0.10



FRIEDA RIVER COPPER & GOLD PROJECT

THE FRIEDA RIVER PROJECT IS ONE OF THE WORLD'S LARGEST UNDERDEVELOPED COPPER & GOLD DEPOSITS

The Frieda River Project, currently in feasibility stage, is located in the Sandaun Province of Western Papua New Guinea, and is one of the world's largest undeveloped copper and gold deposits.

Highlands has a 18.18% interest in the Frieda project with Xstrata Copper holding 81.82%. For Xstrata to maintain this holding in the project they must complete a bankable feasibility study by January 2012 whilst free carrying Highlands.

Under the agreement, Xstrata have an option to acquire an interest in the adjacent Nena deposit by paying Highlands US\$10.8 million to acquire the same 81.82% interest.

In October 2010 a Pre-feasibility Study was completed following the completion of a Scoping Study in January 2008 and an Extended Scoping Study in December 2008. The project is now in the Feasibility Stage which is expected to be completed by January 2012. It is anticipated that the project, subject to meeting all hurdles, will undergo permitting in 2012 before commencing construction in 2013 and production in 2017.

To date Xstrata have spent over US\$160 million. The expenditure for the 2010 year, which included the completion of the Pre-feasibility Study and the commencement of the Feasibility Study, was US\$78 million. The Feasibility Study phase is budgeted to be US\$122 million.

The execution model defined in the Pre-feasibility Study is as follows:

- Ore mined at a life-of-mine (LOM) average of 50Mtpa with 60Mtpa for the initial 8 years
- LOM strip ratio of 1:1 with only 15Mt of preproduction waste stripping required
- Highly marketable concentrate produced on site (28% copper) and transported by pipeline to a port on the Sepik River and then barged to a silo ship in the Bismarck Sea
- 965Mt of ore will be processed over a 20 year LOM with an average contained metal content in concentrate of 200ktpa of copper and 290koz pa of gold with much higher numbers achieved in the initial 8 years where production is 60Mtpa
- Co-disposal of saturated waste rock and tailings will occur adjacent to each other in the Ok Binai Valley in engineered facilities
- On-site hydro power generation
- Further exploration potential

Frieda River - Current Resources	
Nena Deposit	(51Mt @ 2.43% Cu, 0.57 g/t Au)
Horse/Ivaal/Trukai deposit	(1,900 Mt @ 0.45% Cu, 0.22 g/t Au);
Koki deposit	(274 Mt @ 0.4% Cu, 0.3 g/t Au);
Total of 11 million tonnes of Copper and 18 million ozs of Gold	



EXPLORATION

DURING 2010 HIGHLANDS PACIFIC CARRIED OUT A SIGNIFICANT EXPLORATION PROGRAM ON ITS STAR MOUNTAINS EXPLORATION LICENSES - 2011 WILL SEE THIS PROGRAM ACCELERATED

Highlands Pacific is currently engaged in a significant exploration program on its two Star Mountains tenements, EL 1312 Nong River and EL 1392 Tifalmin. Located in the rugged ranges 20km NE of the OK Tedi copper-gold mine, these leases cover ten known copper-gold porphyry and skarn prospects (Futik, Olgal, Rattatat, Bumtim, Unfin, Kum Kom Pad 48, Tuk, Awerm and Nong). During 2010 1,500 meters of diamond drilling was carried out together with a LIDAR Survey. 2011 will see the exploration program greatly accelerated.

0020GL10 474m @ 0.42% Cu and 0.24g/t Au from 26 m down hole 0010GL10 210m @ 0.50% Cu and 0.37g/t Au from 15 m down hole } 2010 DRILLING RESULTS

The Tifalmin porphyry and Nong skarn prospects were originally discovered in the 1960s at roughly the same time as Ok Tedi and Frieda. Since 1971 when Kennecott drilled five holes on two of the prospects (Futik and Olgal), they have witnessed only sporadic and generally low level exploration activity despite the high prospectivity of the remote and craggy terrain.

As well as large copper/gold porphyries, later holes will target both higher-grade lower-tonnage skarn mineralization formed at the contact of the intrusive and surrounding sedimentary rocks. The goal of this program is to identify prospects with a potential for grades of at least 1% copper equivalent.



CORPORATE

OVERVIEW

- Incorporated in PNG
- Listed on ASX and POMSx
- US\$20 million in cash, no debt or hedging
- JV Partner in the world class Ramu nickel cobalt project, cashflow/equity expected 2011/2012
- Pre-feasibility Study completed in October 2010 and Feasibility Study underway for Frieda copper gold project
- Highly prospective PNG exploration ground at:
 - Star Mountains - Nong River (100% HPL subject to claw back) and Tifalmin (100% HPL), 20 km north of OK Tedi
 - Wau-Bulolo, Graben, near the Hidden Valley deposit (Harmony Gold/Newcrest); and
- Focused and experienced Board and Management Team

MAJOR SHAREHOLDERS

- Baker Steel Capital Managers LLP 9.2%
- National Superannuation Fund Ltd 7.1%
- Independent Public Business Corporation 4.4%
- Kina Funds Management 4.3%
- Regal Funds Management 4.2%

MARKET CAP

- A\$275 million (40c)

ISSUED CAPITAL

- 686 million shares
- 22 million unlisted options

ASX Code: HIG
PoMSx Code: HIG

OUR VISION

TO CREATE SHAREHOLDER WEALTH THROUGH THE EXPLORATION, DEVELOPMENT AND OPERATION OF RESOURCE PROJECTS WITH A FOCUS ON GOLD AND BASE METALS IN AUSTRALIA AND THE ASIA PACIFIC REGION.

DIVERSIFIED MINERAL RESOURCE COMPANY WITH WORLD CLASS ASSETS

- Gold and base metal projects at exploration and development stage
- ASX and POMSx listed
- Strong balance sheet & healthy cash position
- Well positioned for acquisition and development of new projects
- Commitment to internationally accepted environmental standards
- Resource inventory - 3 million tonnes copper metal, 4 million oz gold, 125,000 tonnes nickel, 12,250 tonnes cobalt

RAMU NICKEL COBALT PROJECT - PNG

- Fully permitted and commissioned in 2010
- 20 year plus mine life plus 20 year resource
- Major Chinese partners
- Producing 31,150 tonnes nickel and 3,300 tonnes cobalt annually
- Highlands Pacific interest 8.56% carried to production, right to claw back to 11.3% free and to 20.55% at fair market value

FRIEDA RIVER COPPER GOLD PROJECT - PNG

- Current interest 18.18% Greater Frieda, 100% Nena Deposit
- Among the world's largest undeveloped copper/gold deposits
- 11 million tonnes copper, 18 million oz gold (combined resource Horse-Ivaal-Trukai, Koki and Nena)
- Free carry to completion of feasibility study - US\$122 million budget for 2011
- Pre-feasibility study completed by Xstrata in October 2010 targeting production 2017
- Feasibility study underway and due to be completed by January 2012
- 60Mtpa throughput for initial 8 years with a plus 20 year mine life

EXPLORATION

STAR MOUNTAINS - NONG RIVER / TIFALMIN

- 20km NE of OK Tedi
- Copper / Gold porphyry deposit
- 10 targets identified already
- US\$3 million exploration program sole funded by Highlands in 2010
- 1,500 m of diamond drilling and LIDAR survey completed in 2010
- 2011 Accelerated exploration program

WAU / BULOLO

- Within the historic Wau-Bulolo Goldfield
- Located between the Hidden Valley and Wafi gold projects.



Australian office
Level 4
167 Eagle Street
Brisbane QLD 4000
(GPO Box 3086, Brisbane QLD 4001)
Australia
Telephone: (61 7) 3239 7800

Papua New Guinea office
Level 1, Allotment 6
Section 58, Sir Hubert Murray Highway
Boroko NCD
(PO Box 1486, Port Moresby NCD 121)
Papua New Guinea
Telephone: (675) 323 5966

For further information visit www.highlandspacific.com

