

# RAMU NICKEL & COBALT PROJECT



Ramu Fact Sheet

November 2010

## Ramu Nickel & Cobalt Project

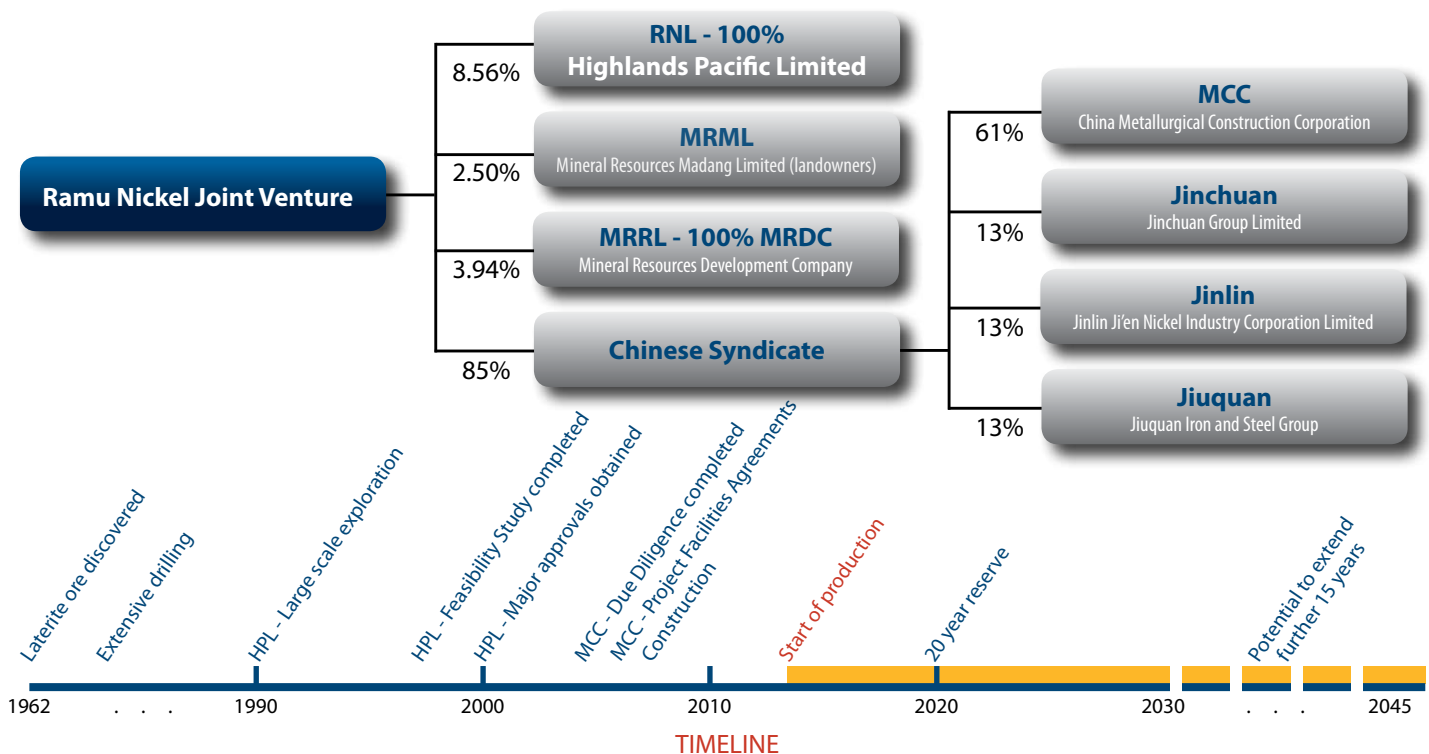
- Lateritic nickel and cobalt project.
- 20 year plus mine life.
- Joint ventured with China Metallurgical Construction Corporation.
- Highlands Pacific interest 8.56% carried to production, right to claw back to 11.3% free and to 20.55% at fair market value.

## Key Attributes

- Long life mine.
- Low cost operating environment
- Advanced stages of development -US\$1.5B spend.
- Support from PNG and Chinese governments - all statutory permits and approvals in place
- Significant Chinese nickel partners
- Quality end product - attractive for regional smelters
- Simple proven process technology - Moa Bay, Cuba, Coral Bay, Murrin Murrin
- Deep-Water coastal location of plant.



Annual production is planned to be a mixed nickel/cobalt hydroxide containing 31,150 tonnes Ni and 3,300 tonnes Co.



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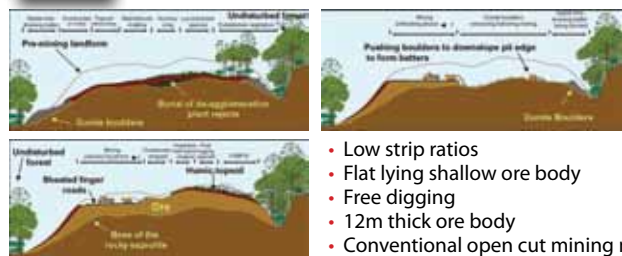
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## 2010 Activities in Detail

- Construction of Kurumbukari mine site facilities completed.
- Processing plant at Basamuk 95% completed
- Power plants and other key facilities completed commissioned and operational
- HAZOP's done or planned to be done on critical facilities
- Internationally renowned world experts used for frequent project reviews
- Establishment of an active Community Affairs department to promote local business opportunities and raise community awareness.

## Project Start Q2 2011

### Mining



## Ramu Resource Disclaimer

### Resource

The Ramu resource is estimated at 143 million tonnes at 1.01% nickel (Ni) and 0.10% cobalt (Co). The resource report is shown in the Table below:

**Mineral Resources** (excluding +2mm internal rocky material)

Resource Style	Mt	Ni%	Co%
Measured	42.4	0.93	0.11
Indicated	29.8	1.07	0.11
Inferred	71.0	1.04	0.10
<b>TOTAL</b>	<b>143.2</b>	<b>1.01</b>	<b>0.10</b>

### Notes:

1. No upper cut off used. Maximum grade (lithology composite) is 3.44% Ni and 0.91% Co.
2. Lower cut off of 0.5% Ni used to define the down-hole limit of the overburden.
3. The lower boundary of the rocky saprolite is determined by either the first 1.5 metre boulder intersected or a 3 metre intersection of greater than 50% of the volume of the intercept being rock.
4. 1,139 HQ and NG diamond drill holes totalling 22,363 metres, with an average depth of 19.6 metres per hole.
5. Most drilling on a nominal 100 metre by 100 metre grid, with select areas closed down to 25 metres by 25 metres to establish geostatistical variability.
6. 22,145 drill samples were assayed for Ni, Co and Mg. Selected samples and composites were analysed for Mn, Al, Si, Fe and Cr.
7. Bulk density measurement from 1,550 drill core samples and 12 insitu tests.
8. Face sampling and mapping from two trial mining pits.
9. 60 line kilometres of ground penetrating radar (GPR) survey to map the depth profile of the laterite development between drill holes.
10. In addition to the -2mm material, the Ramu laterite contains 90 Mt of oversize grading 0.44% Ni and 0.01% Co. This material is easy to remove by simple screening.
11. The resource estimate was prepared under the supervision of Dr Francois-Bongarcron, A Competent Person in accordance with the Australasian Code for the reporting of identified mineral resources and ore reserves, 1996 (the JORC code). Dr Francois-Bongarcron has consented to the inclusion of the Ramu resource estimate in this report.

### Ore Reserves

An ore reserve was designated from part of the mineral resource, reported above, during the feasibility study and has subsequently been reviewed and confirmed by SRK Consulting.

### Ore Resources

Category	Mt	Ni%	Co%
Proved	39.7	0.88	0.10
Probable	36.0	0.94	0.09
<b>TOTAL</b>	<b>75.7</b>	<b>0.91</b>	<b>0.10</b>

This reserve information is based on and accurately reflects information compiled by Mr Tauno Isokangas and Dr Brian White, who were both employed by Tennant Isokangas Pty Ltd and who qualify as Competent Persons as defined in the Australasian Code for the report of mineral resources and ore reserves. Mr Isokangas and Dr White have consented to the use of the Ramu reserve estimate in this report. The ore reserve calculation includes low-grade rocks and rock fragments, which are present at the base of the ore body. These rocks and rock fragments, which are considered as internal waste, along with chromite will be removed at the mine site in the beneficiation plant. The resulting autoclave feed grade will be 1.01% nickel and 0.11% cobalt.

## Environment & Community

- All environment approvals received
- Deep sea tailings placement system approved
- Comprehensive Terrestrial & Marine Baseline Studies completed
- Community support through projects such as health programs, road links, construction of church buildings, community halls, schools and hospitals
- Training and employment for Nationals
- Business development with landowner companies for services and/or management guidance.

## Processing

