

# Corporate Profile - September 2009

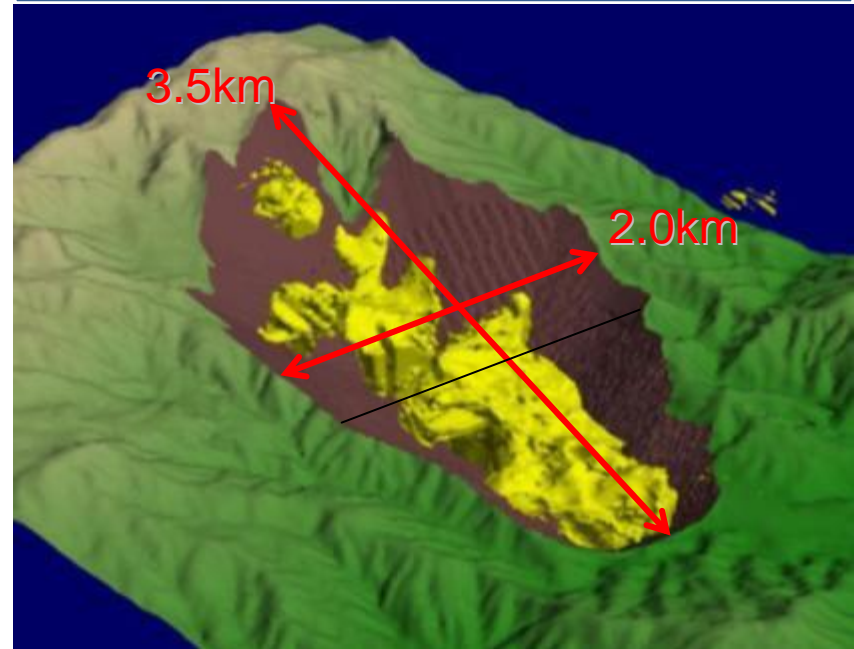


**“World Class Assets – Here Now”**

**Ramu Nickel**



**Frieda Copper**



**Major Projects - Major Resources - Major Partners**

# Disclaimer



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## Reserves & Resource and Competent Persons Statement

Information contained in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on previous announcements made by Highlands Pacific Group Limited to the ASX & POMSOX.

•The information in this report that relates to Kurumbukari , Koki Mineral Resources and any exploration results is based on information compiled by Lawrence Queen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Queen is a full-time employee of Highlands Pacific and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Queen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Dr Brian White, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr White is employed by Coffey Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr White consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. 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

•The information in the report that relates to Frieda Horse/Ivaal/Trukai & Nena Mineral Resources presented is based on information compiled by Mr Raúl Roco, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Roco is a full-time employee of an Xstrata Copper entity. Mr Roco has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the estimation of Mineral Resources to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Roco consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Throughout the presentation all figures are quoted in US\$ unless otherwise stated.

## Presentation Agenda - Today's Presentation



### 1. Investment Snapshot

- **Investment Case**
- **Assets:** Tier 1
- **Capital Structure:** Debt Free
- **Leverage:** Share of metal in ground

### 2. Ramu Nickel/Cobalt Project

- **Scale:** Major world Ni-Co operation. +20 year life
- **Construction :** 90% completed
- **Production:** 2010
- **Cash Costs:** Mid tier

### 3. Frieda Copper/Gold Project

- **Scale:** +200ktpa Cu, +260koz pa Gold, +27 year life
- **Studies:** Pre-Feas due mid 2010. Feasibility 2011
- **Construction:** Commence 2012
- **Cash Costs:** Lowest quartile



## Highlands - Our Investment Case



### Major Projects - Major Resources - Major Partners



1. Ramu Nickel/Cobalt

- ✓ Size – 31Ktpa Ni production, larger than Coral Bay & similar in scale to Murrin Murrin
- ✓ Equity Interest - 8.56% -20.55%
- ✓ Capex - US\$1.4B. No recourse to HIG
- ✓ C1 Cash costs US\$4.09/lb



2. Frieda Copper/Gold

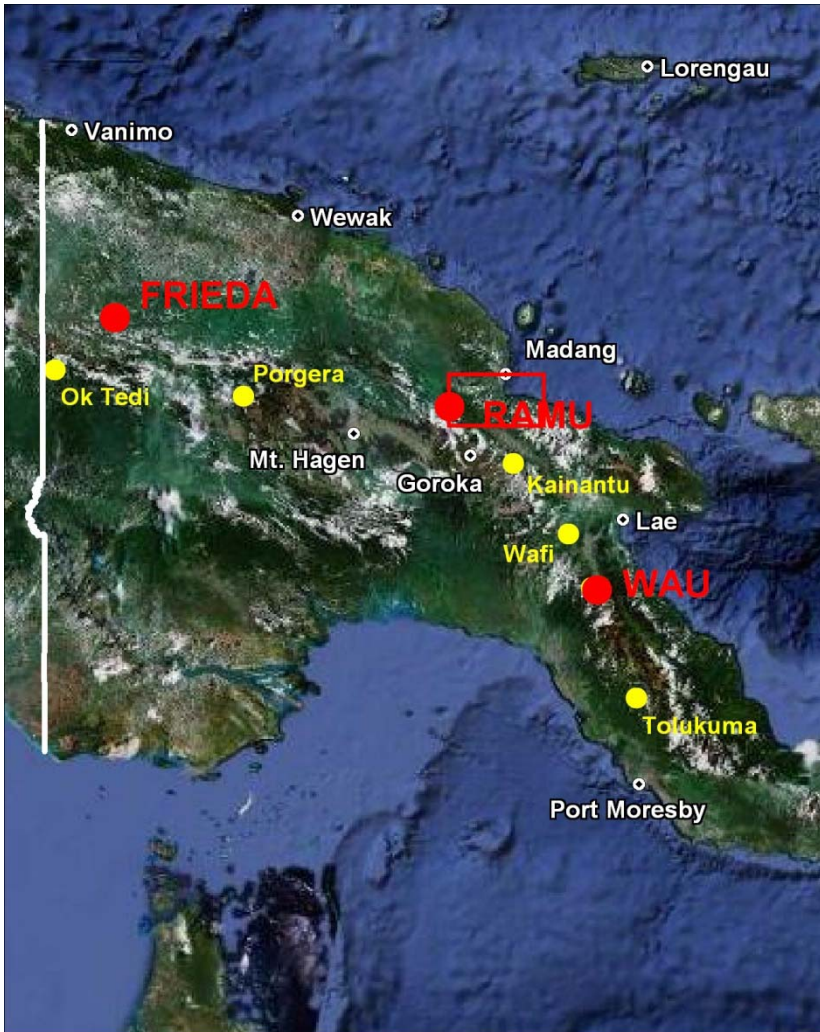
- ✓ Size - Top 10 greenfield project
- ✓ Strategic equity interest of 16.9%
- ✓ Xstrata to carry Highlands to Feasibility completion
- ✓ Capex US\$4.4B
- ✓ C1 cash cost US22c/lb

**Low Cost + Long Life (+25 years)**

**Cash: US\$23m**

**Highlands - quality assets of inherent value**

## Papua New Guinea



### Papua New Guinea

- Mining Laws - World standard
- Infrastructure - Developing
- Taxation - 30% Company tax

### Project Locations

**Ramu** - 75 km from Madang. It is 45mins by plane from Port Moresby.

**Frieda** - 90 km from Ok Tedi and 175kms from the Porgera Mine

### Highlands in PNG

- 20 years in PNG
- Experience with finding & developing projects

Major Projects - Major Resources - Major Partners

# Board and Management



## Directors



**Ken MacDonald - Chairman**  
Over 30 years experience in corporate law



**Ian Burvill - Non-Executive Director**  
Senior VP with Resource Capital Funds.



**Mike Carroll – Non-Executive Director**  
CEO Neumann Associate Companies.



**Rod Mitchell – Non-Executive Director**  
CEO NASFUND of PNG



**Fiu Williame-Igara**  
Advisor public Sector Reform Unit, PNG

## Executives



**John Gooding – Managing Director & CEO**  
Over 30 years experience in gold and base metals mining, exploration, refining, projects. Previously held executive positions with Normandy, MIM, Xstrata, Ok Tedi, Roche.

### Executive Team

<b>Craig Lennon</b>	<b>CFO &amp; Company Secretary</b>
<b>Larry Queen</b>	<b>Chief Geologist</b>
<b>Peter Jolly</b>	<b>General Manager Projects</b>
<b>Terry Smith Mining &amp;</b>	<b>General Manager Business Development</b>

## Capital Structure - September 2009



### Issued Capital

<i>Issued Shares</i>	652,402,148
<i>Unlisted Options</i> (7.8c - 65c)	102,420,391

### Markets

<i>Exchanges</i>	ASX and POMSoX
<i>Share Price</i>	A17.5c mid-Sept
<i>Capitalisation</i>	A\$114 million



### Finance

<i>Cash &amp; Equivalents</i>	A\$27M (US\$23M)
<i>Debt</i>	nil
<i>Hedging</i>	nil

### Shareholders

<i>RCF Management</i>	13.2 %
<i>National Super Fund</i>	9.9 %
<i>Baker Steel</i>	7.7 %
<i>Independent Public Business</i>	4.6%
<i>Kina Funds Management</i>	4.1%
<i>Top 20 holders</i>	51 %
<i>Number Shareholders</i>	8,515

Major Projects - Major Resources - Major Partners



# HIG Share Price - 12 Month Performance



Share Price Range:

Low of 4c (Nov 08)

High of 17.5c in (Sept 09)



# Metal Prices - 5 Year Performance



**LME Nickel**  
Currently - US\$7.83/ lb



03 Sep, 2004 - 02 Sep, 2009

**Cobalt 99.8% FOB**  
Currently - US\$20/ lb



Last: \$20.250 Sep 11, 09

**London Gold Troy**  
Currently - US\$ 996/oz



03 Sep, 2004 - 02 Sep, 2009

**LME Copper**  
Currently - US\$2.85/ lb



03 Sep, 2004 - 02 Sep, 2009

Metal prices as at 2 September 2009

## Highlands - Resource Base



### Highlands' share of in ground metal

**Nickel 125,000t**  
**Cobalt 12,250t**



**Copper 2Mt**  
**Gold 2.5 Moz**

**Ramu Nickel - 8.56%\***



**Ramu Project - Resource**  
**Nickel - 1.4M tonnes**  
**Cobalt - 140,000 tonnes**

**Frieda Copper - 16.9% \*\***



**Frieda District - Resource incl Nena (HIG 93.1%)**  
**Copper - 14.9 billion pounds (6.8M tonnes)**  
**Gold - 11.1 million ounces**  
**Upgrade - due in late 2009**

\* Ramu – Highlands moves from 8.56% to 11.3% when debt repaid and can elect to move to 20.55% by purchasing interests at fair market value.

\*\* Frieda - The Frieda copper/gold district contains a number of project and resource areas. For example Highlands hold 93.1% of the Nena deposit of which Xstrata can move to 76.2 % for a US\$10.8M payment . **For a full review of the Frieda and Ramu resources refer to the appendix.**

# Ramu Nickel Project



## Ramu Nickel Project



Production 2010



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# Ramu Nickel Project



## Kurumbukari – 100km from Madang



## Madang Offices



## Slurry Pipeline - 135 km



## Basamuk Refinery - 75km from Madang





## Ramu Nickel - Kurumbukari Mine



Kurumbukari – 100km from Madang



Slurry Pipeline - 135 km



### History

**Oct 98:** HIG completes Feasibility Study

**Oct 04:** Chinese Metallurgical Group (MCC) purchases majority share (85%)

**Nov 06:** construction commences

### Reserves and Resource

**Resource:** 143 Mt @1.01% Ni and 0.1% Co

**Reserve:** 75.7 Mt @0.91%Ni and 0.1% Co

**Mine Life:** +20 years at 3.4 Mtpa throughput

### Laterite Ore – Limonite/Saprolite

**Open Pit:** Free digging

**Strip Ratio:** Low cost at 0.28:1 strip ratio

**Slurry:** 135km pipeline to Basamuk

## Ramu Nickel - Basamuk Refinery



### The Basamuk Refinery



### Development so far - approx 90%



### Infrastructure

**Power:** 90 Megawatts  
**Employees :** Current 2,500 when in production 1,200

### Process and Production

**Process:** HPAL with 3 autoclaves  
**Recoveries:** 85% Ni and 85% Co  
**Production:** 31,150tpa Ni + 3,300tpa Co

### Wet versus Dry Laterites

Ramu is a “Wet Laterite” this is different to “Dry laterites” such as Bulong Cawse, Ravensthorpe, Murrin Murrin.

Bottomline is lower cost processing, simplified grade control, lower acid consumption

## Ramu Nickel - Ramp Up



### Phased Commissioning over 2009 and 2010



#### **Mine:**

- Expect nameplate capacity in 4<sup>th</sup> Quarter 2010
- Wharf capable of berthing 50,000 DWT vessels

#### **Slurry Pipeline:**

- The pipeline is all in place
- Majority of pipeline will be buried
- Active on-line monitoring to detect early leaks or blockages

#### **Powerplant:**

- Wartsila power plant with an installed capacity of 60MW at Basamuk and 30MW at Kurumbukari.
- Standby boiler for backup process heat at Basamuk

#### **Autoclaves:**

- Lined with high TR17 grade titanium for long life and low maintenance
- Industry standard agitators and pumps with back-up fail safe monitoring systems



Major Projects - Major Resources - Major Partners



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## Ramu Nickel - Costs and Margins



### Mid –tier Capex - a sound cost and margin base

Ramu Project 100%		Highlands at 8.56%*
Tonnes treated	3.4Mtpa	294,040 tpa
Nickel	31,150 tpa	2,700 tpa
Cobalt	3,300 tpa	280 tpa

### Ramu C1 Cash costs after Cobalt credits

Assume US\$20 Co / lb (Current world Co price) **US \$4.09/lb**

\* Ramu - Highlands moves from 8.56% to 11.3% when debt repaid. Can move to 20.55% at fair market value.



# Frieda Copper/Gold Project



Frieda Project - One of the world's Top 10 new copper projects

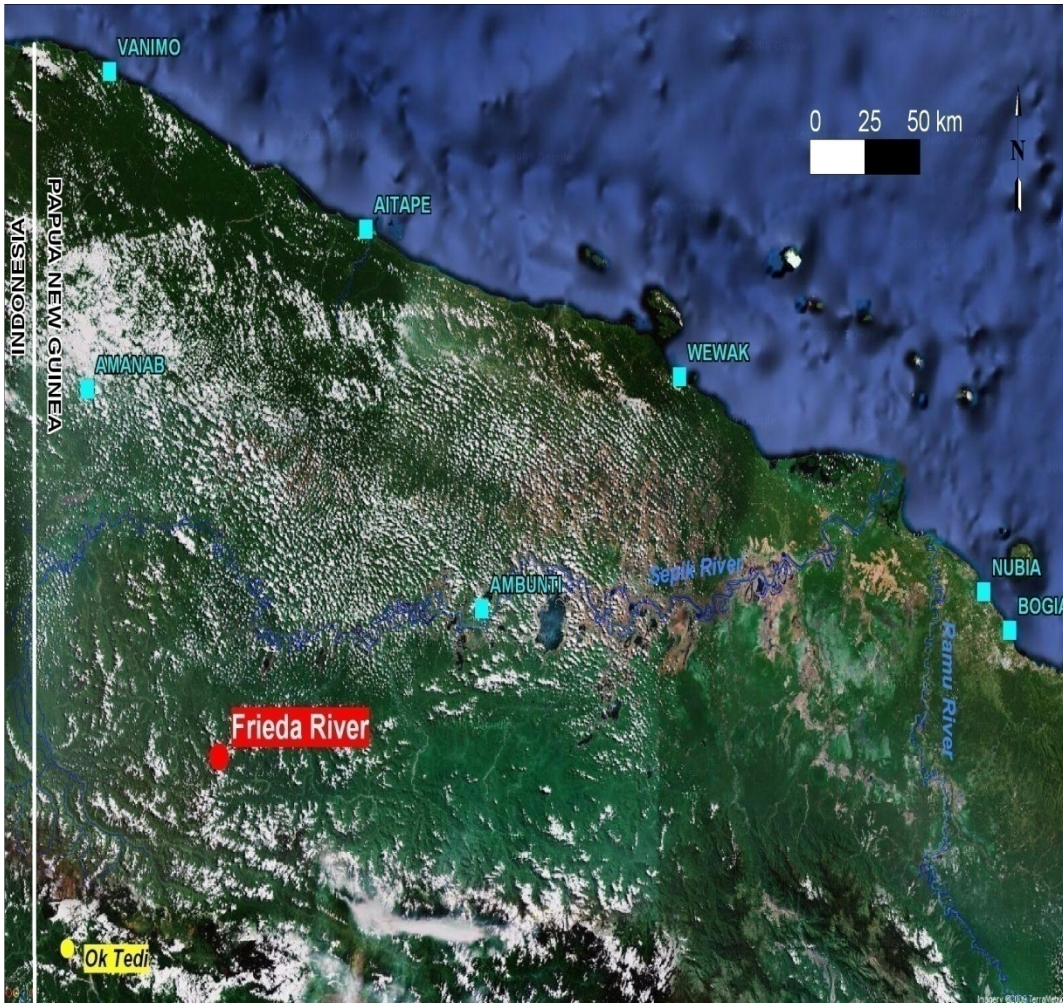


Over 190kms drilling results - US\$60m exploration & studies to date by Xstrata

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# Frieda Copper/Gold Project



### Line Distances From

Pt Moresby - 780km

Wewak - 210km

Ok Tedi - 90km

### Elevation

Frieda - 500 metres

Ok Tedi - 2,000 metres

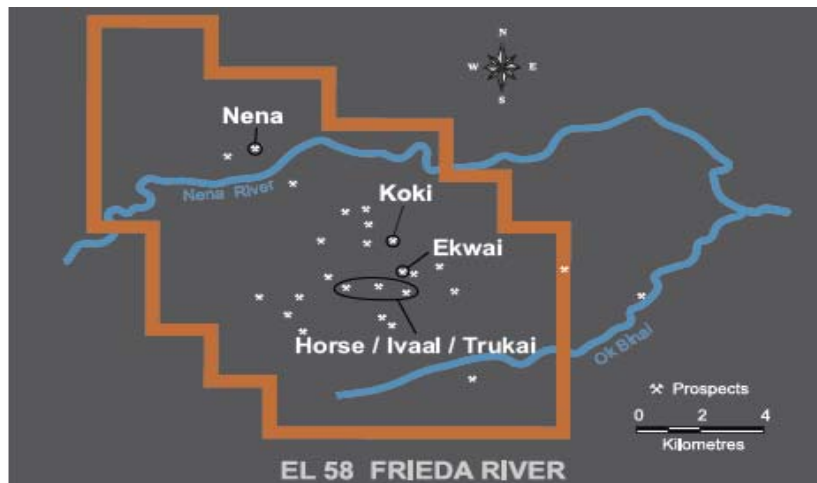
Porgera - 2,600 metres

### Travel time from

Pt Moresby - 90 mins Plane

Mt Hagen - 20 mins Plane

## Frieda Copper/Gold Project Areas



### Horse Ivaal Trukai

The area of major project + exploration focus. Drilling to a depth of +600 metres.

**Partners:** HIG 16.9%, Xstrata 76.2%, OMRD 6.9%

**Resource:** 840 Mt 0.53% Cu, 0.28g/t Au

**Upgrade:** Resource statement due in late 2009

### Koki

Potential for H-I-T pit expansion.

**Partners:** HIG 16.9%, Xstrata 76.2%, OMRD 6.9%

**Resource:** 274Mt @ 0.4%Cu, 0.3g/t Au

**Deposit:** Porphyry style

### Nena

Xstrata to pay US\$10.8M for interest in Nena.

**Partners:** HIG 93.1%, OMRD 6.9%

**Resource:** 51 Mt @ 2.43%Cu, 0.57g/t Au

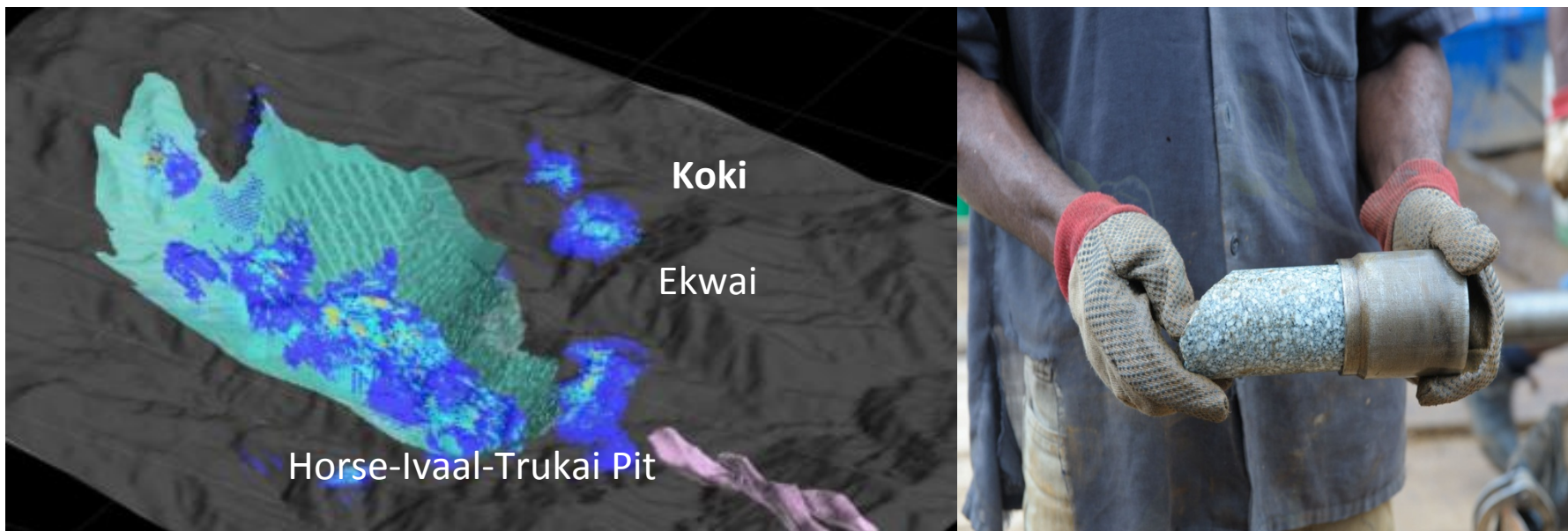
**Deposit:** Massive sulfide.

A large and growing resource base – Upgrade due late 2009



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## Frieda Copper/Gold Project



### Significant Horse-Ivaal-Trukai Drilling Results - Announced in 2009

580m @ 0.53% Cu + 0.45 g/t Au from 20m finished in mineralisation (199XC08)

Other significant intersections at a 0.2% Cu lower cutoff include:

- 428 metres @ 0.52% Cu and 0.36 g/t gold from 22 metres down hole (198XC08)
- 370 metres @ 0.53% Cu and 0.23 g/t gold from 42 metres down hole (200XC08)
- 448 metres @ 0.78%Cu and 0.38 g/t gold from 4 metres down hole (220XC09)

Possibility for larger copper envelope for Feasibility Study options



# Frieda Copper/Gold Project



Drill Pad

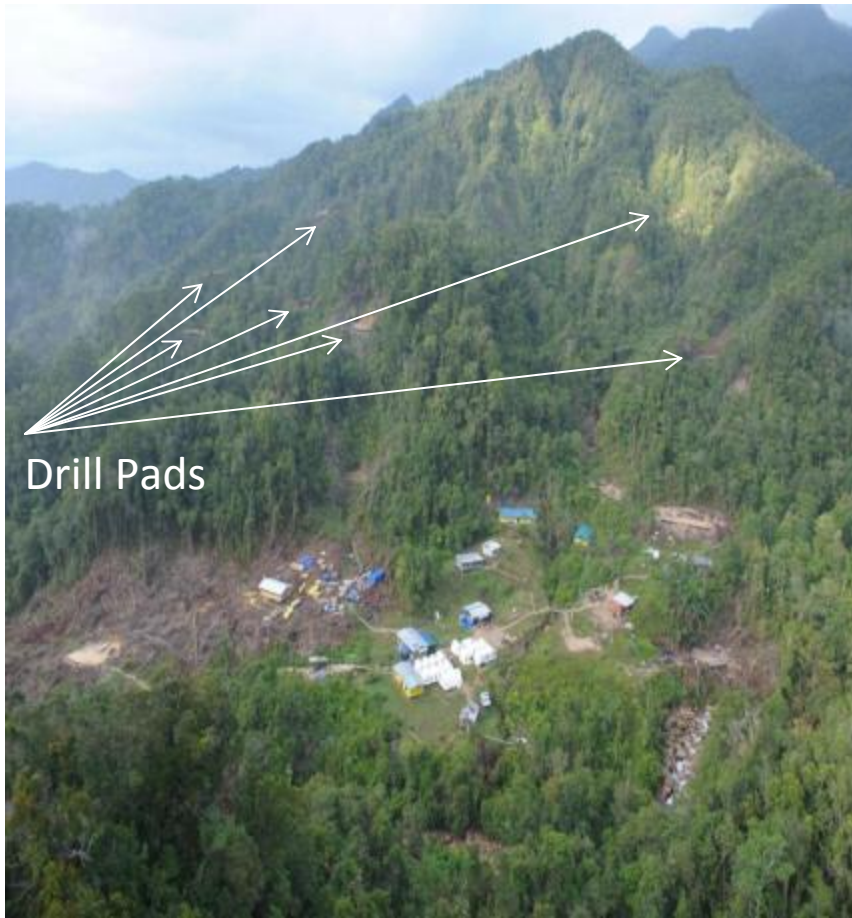




# Frieda Copper/Gold Project



## Drill Camp

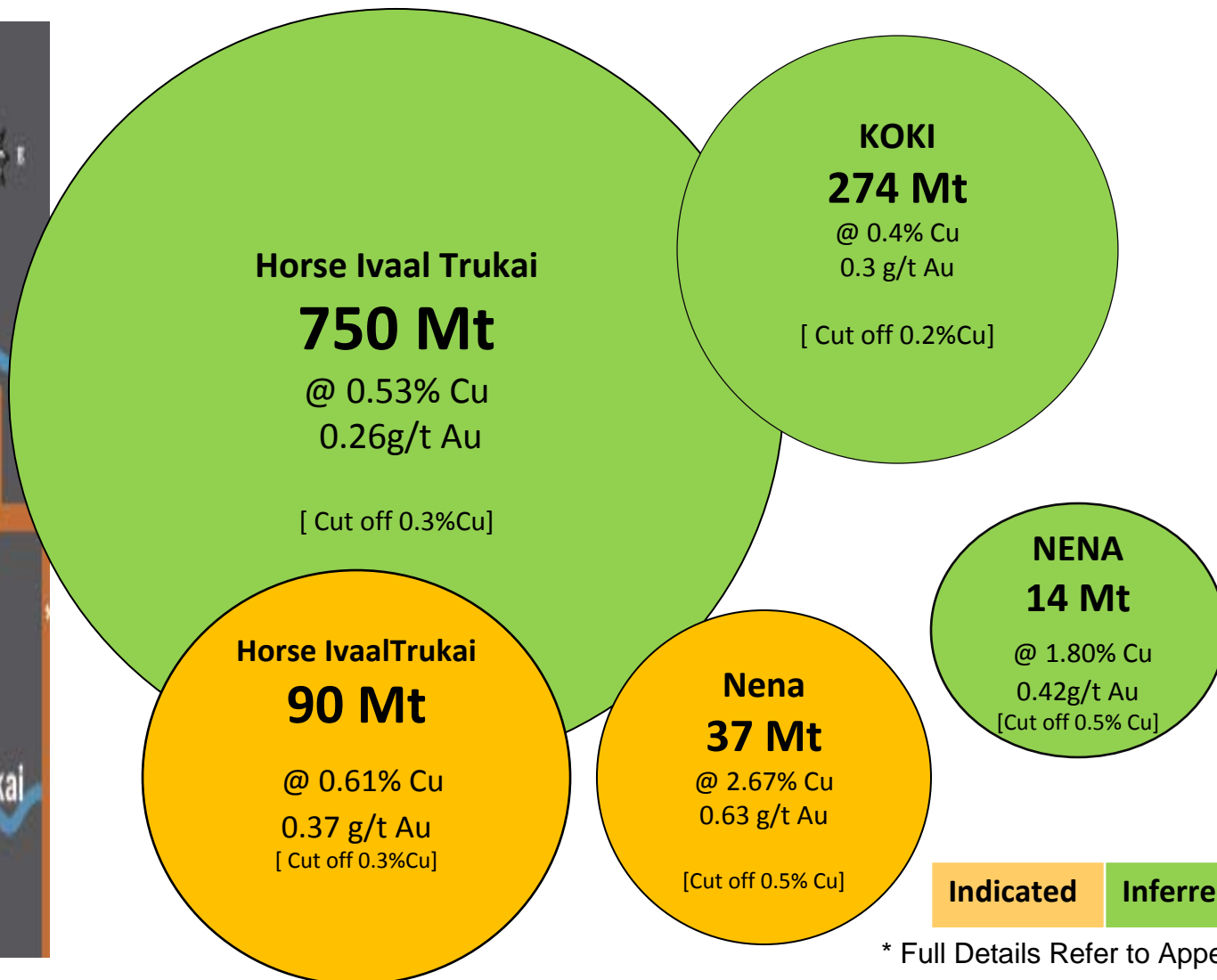
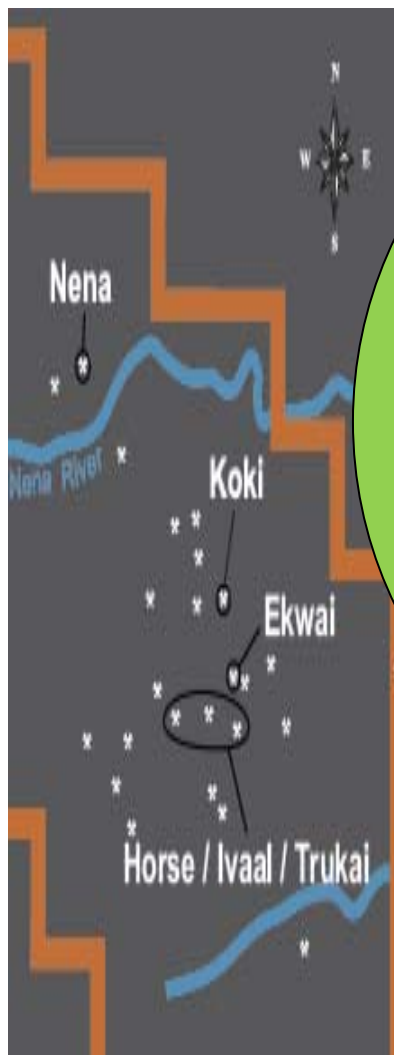


Drill Pads



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# Frieda Project Resources - approx 1.1B tonnes



**Indicated** **Inferred**

\* Full Details Refer to Appendix

Resource upgrade due in late 2009



## Frieda Project Capex



Prefeasibility will look at cost optimisations and project expansions +40Mtpa

Jan 2009 Scoping Study:	40 Mtpa
<b>Mining &amp; Processing Facilities</b>	~\$1.2B
<b>Infrastructure (includes 140 MW Hydro )</b>	~ \$1.4B
<b>EPCM, Indirects, Owners Costs</b>	~\$900M
<b>Contingency</b>	~\$900M
all figures US\$	<b>Capex TOTAL</b>
	~\$4.4B

Pre-Feasibility mid-2010
Scoping study was top of cycle.
Hydro is the key driver of overall capex but provides excellent operating costs US6.1c kWh leads to C1 cash costs of US22c/lb Cu.
Potential for savings, but project management costs a function of scale.
25% as contingency is probably conservative and will be refined.
<b>PreFeas Capex</b>
TBA

## Frieda Project - Robust Economics at Scoping Study



### Extend Scoping Study - Completed 2009

- Study Cost.** US\$31M spent.
- Drilling .** approx 40,000m
- Capex.** US\$4.4B (incl. contingency)
- Strip Ratio.** LOM of 0.96
- Power.** On-site Hydro
- Configuration.** A two line concentrator delivering concentrate (via pipeline) to a new port on the north coast of PNG.
- 27 Year Life** - Project delivering 4.29Mt copper metal and 6.41 Moz of gold

<b>Plant</b>	40Mtpa
<b>Concentrate</b>	600 ktpa grading 31% copper.
<b>Cu Output</b>	200,000 tpa first 10 years
<b>Au Output</b>	260,000 ozpa first 10 years
<b>C1 Costs</b>	US22c/lb based on \$800/oz Au

### Pre-Feasibility Activities- 2009-10

- Study Cost.** US\$36M budget for 2009.
- Drilling.** 35,000m of infill
- Capex.** Re-estimation (tba)
- Mine Plan.** Preparation work and schedule.
- Hydro.** Engineering design work and geotechnical evaluation.
- Environ.** Baseline monitoring continues.
- Community.** Work with landowners.

<b>Plant</b>	+40Mtpa to 50Mtpa options
<b>Concentrate</b>	Higher production, same grade
<b>Cu Output</b>	Higher
<b>Au Output</b>	Higher
<b>C1 Costs</b>	Lower

All study costs borne by Xstrata. Highlands free carried.

## Frieda Copper/Gold - Project Comparison



	Tampakan, Indonesia		Frieda, PNG	
	Extended Pre-Feasibility		Scoping Study	Pre-Feasibility
	Phase 1 Years 1-3	Phase 2 Years 4-20	Years 1-10 of 27 year project	Study due mid-2010
Production	44 Mtpa	66 Mtpa	40 Mtpa	50 Mtpa?
Cu Output	320 ktpa	346 ktpa	200 ktpa	250ktpa?
Au Output	290 kozpa	359 ktpa	260 kozpa	320ktpa?
Met. Process	Simple, High Grade Conc.			
C1 Cash Cost	US 46c/lb		US 22c/lb	Lower
NPV	US\$1.2 B		US\$487M	Higher
Capex (US\$)	~\$5.2 B includes \$800m contingency		~\$4.4 B \$900m contingency	TBA

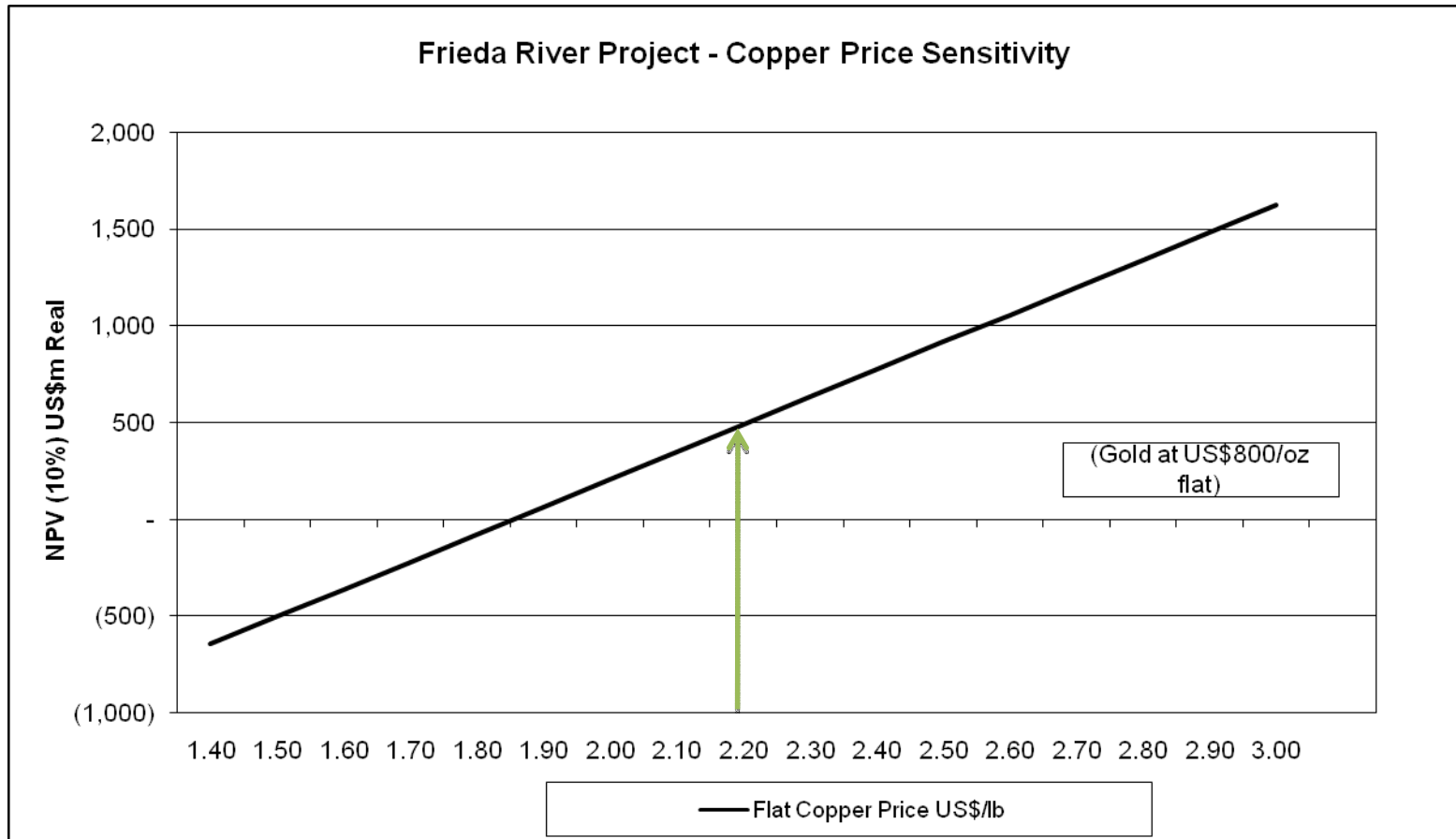
Tampakan assumption - US\$2.20/lb Cu, US\$800/oz Au, and post tax discount rate of 10%.

Frieda assumption - US\$2.20/lb Cu, US\$800/oz Au, and post tax discount rate of 10%.

Tampakan data from Indophil ASX announcement 22 April 2009



## Frieda Project - Robust Economics



Source: Xstrata Frieda River Ltd

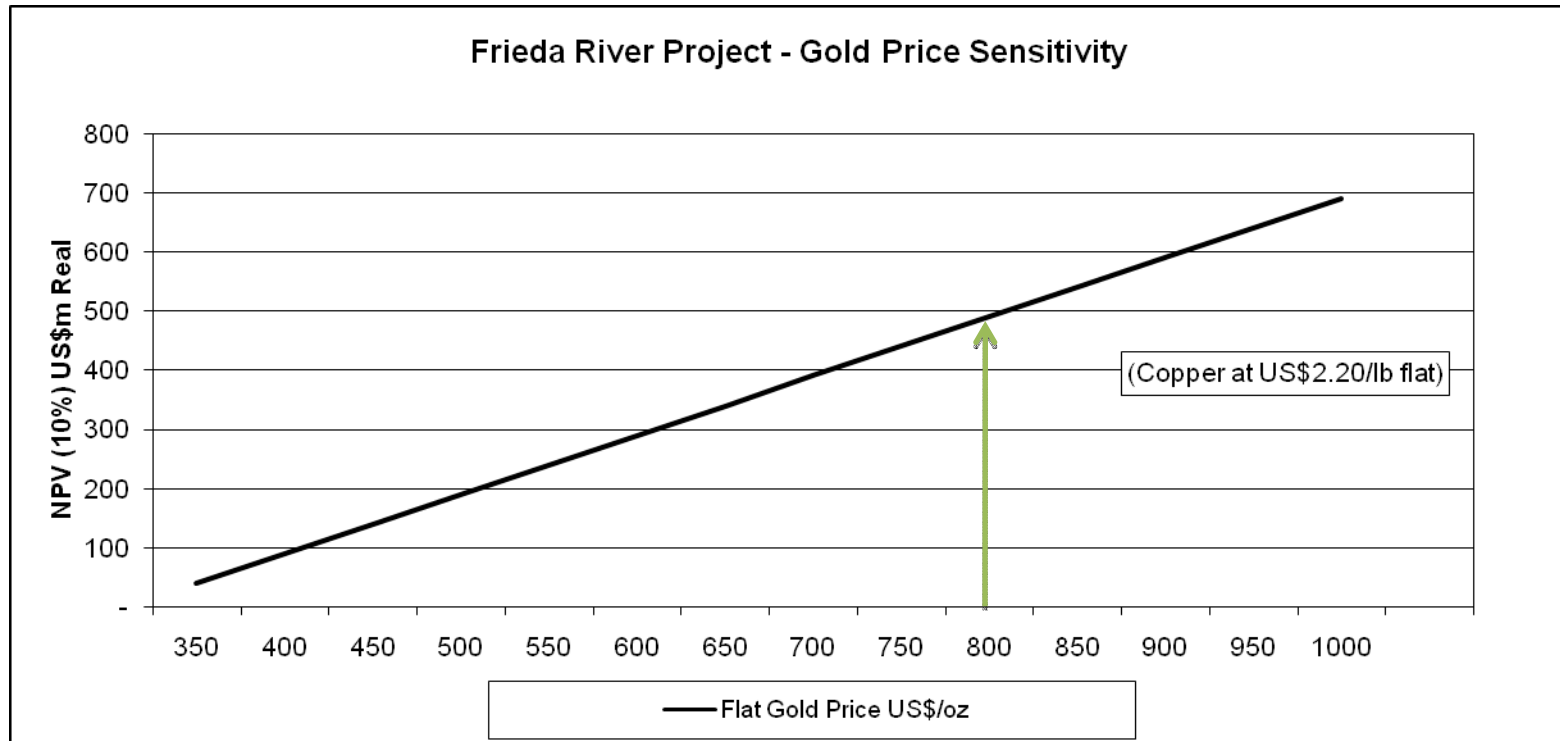
**NPV** : US\$487M @ 10% discount rate. **IRR**: 12.5% Payback 4.8yrs

**Assumptions: Prices** : Copper US\$2.20/lb Gold at US\$800/oz Capex US\$4.4B

**Cash Costs**: C1 Cost of US22c/lb payable copper (Cu) over 27 yrs

Economics to improve further at both PreFeas (2010) and Feasibility (2011)

# Frieda Project - Robust Economics



Source: Xstrata Frieda River Ltd

**NPV** : US\$487M @ 10% discount rate. **IRR**: 12.5% Payback 4.8yrs

**Assumptions: Prices** : Copper US\$2.20/lb Gold at US\$800/oz Capex US\$4.4B

Economics to improve further at both PreFeas (2010) and Feasibility (2011)

## World Copper Producers - 2008



Top 12 of world's ~250 copper mines produce third of copper.

Escondida



Grasberg



	Project	Owner	Cu ktpa
1	Escondida	BHPB / Rio	1,400
2	Grasberg	Freeport	600
3	Chuquicamata	Codelco	550
4	Collahuasi	Xstrata Anglo	440
5	Norlisk	MMC Norlisk	425
6	El Teniente	Codelco	400
7	Antamina	BHP Xstrata Teck	390
8	Morenci	Phelps	380
9	Toqepala + Cuajone	S. Peru Copper	370
10	Batu Hiju	Newmont	325
11	Los Pelambres	Antofagasta	320
12	Bingham Canyon	Rio Tinto	265
			<b>TOTAL- 5,958</b>

Source: Industry Research



## Comparison - Copper on the Horizon next 4-8 years

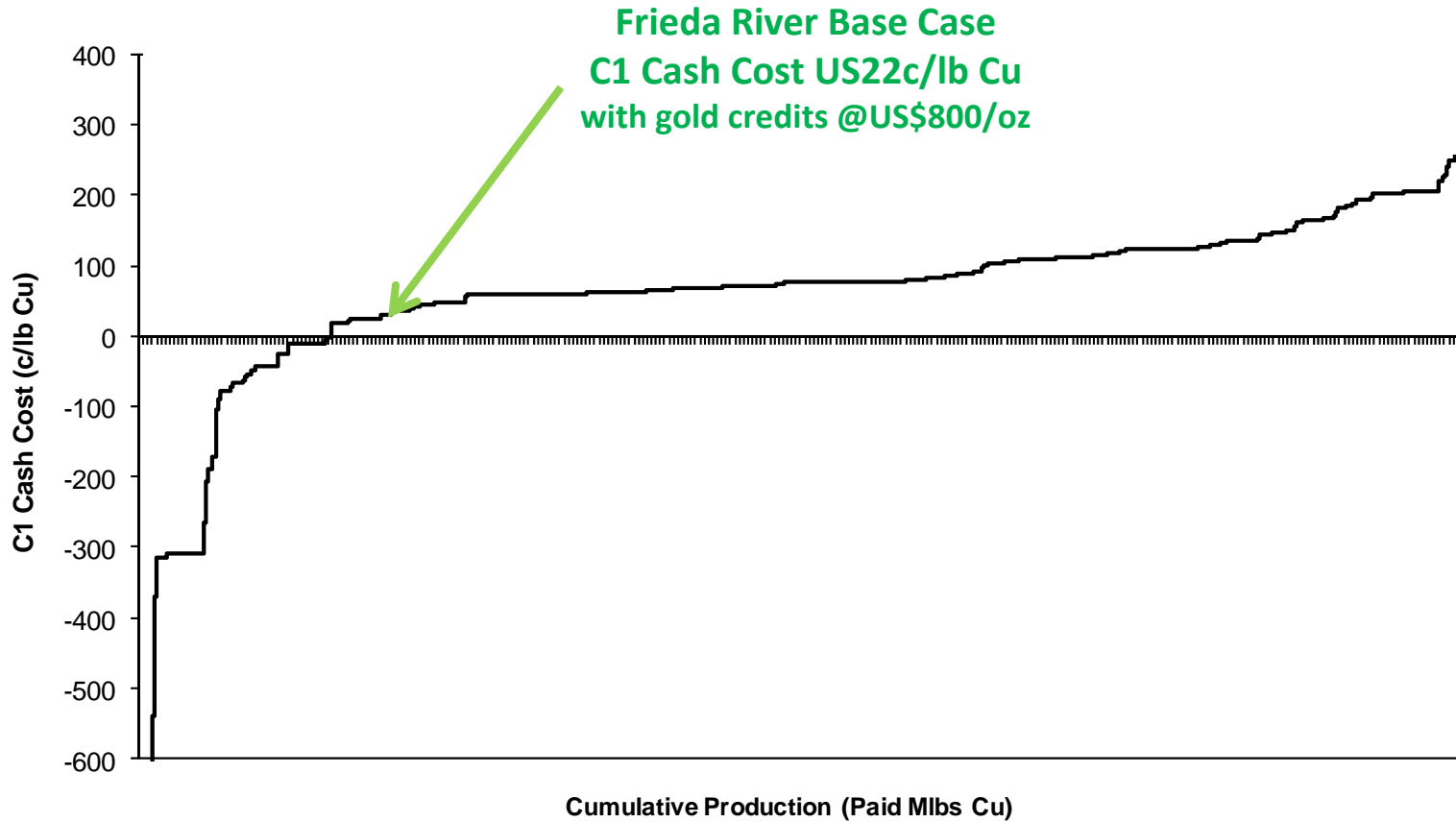


### Some Comparisons

Project	Owner	Plant	Cu ktpa	Gold koz pa	Capex US\$	
1	Olympic Dam Expansion	BHPB	60Mtpa All Leach	515	700	15-20B
2	Oyu Tolgoi - Mongolia	Rio / Ivanhoe	48Mtpa	450	320	+5B
3	Pebble - Alaska	Rio / Anglo	73Mtpa	400	680	+4B
4	Tampakan - Philippines	Xstrata / Indophil	44-66 Mtpa	340	360	5.2 B
5	La Granja - Peru	Rio Tinto	84Mtpa All Leach	300	n/a	3.3B
6	Toromocho - Peru	Codelco	55Mtpa +8Mtpa Leach	228	n/a	3.2B
<b>7</b>	<b>Frieda - PNG</b>	<b>HIG/Xstrata</b>	<b>+40-50 Mtpa</b>	<b>200-250</b>	<b>260-320</b>	<b>~4.4 B</b>
8	Las Bambas - Peru	Xstrata	18Mtpa	200	48	2.8B
9	El Pachon - Argentina	Xstrata	40Mtpa	150	n/a	2.9B
10	Reko Diq - Pakistan	Barrick	26Mtpa +7Mtpa Leach	150	212	2.8B
<b>Other Recent New Projects</b>						
	Lumwana - Zambia	Equinox	20 Mtpa	120	n/a	US \$841M
	Prominent Hill	OZ Minerals	8 Mtpa	~100	60	A\$1.15 B

Source: Highlands. Not a comprehensive world list. Includes 'Name' project for comparison purpose. Excludes some extreme risk countries

### A Typical World Copper Cash Cost Curve



US22c/lb is lowest quartile. Even lower in first 5-10 years.

## Nong Exploration Prospect - EL 1312



Great potential and so close to Ok Tedi

### Location

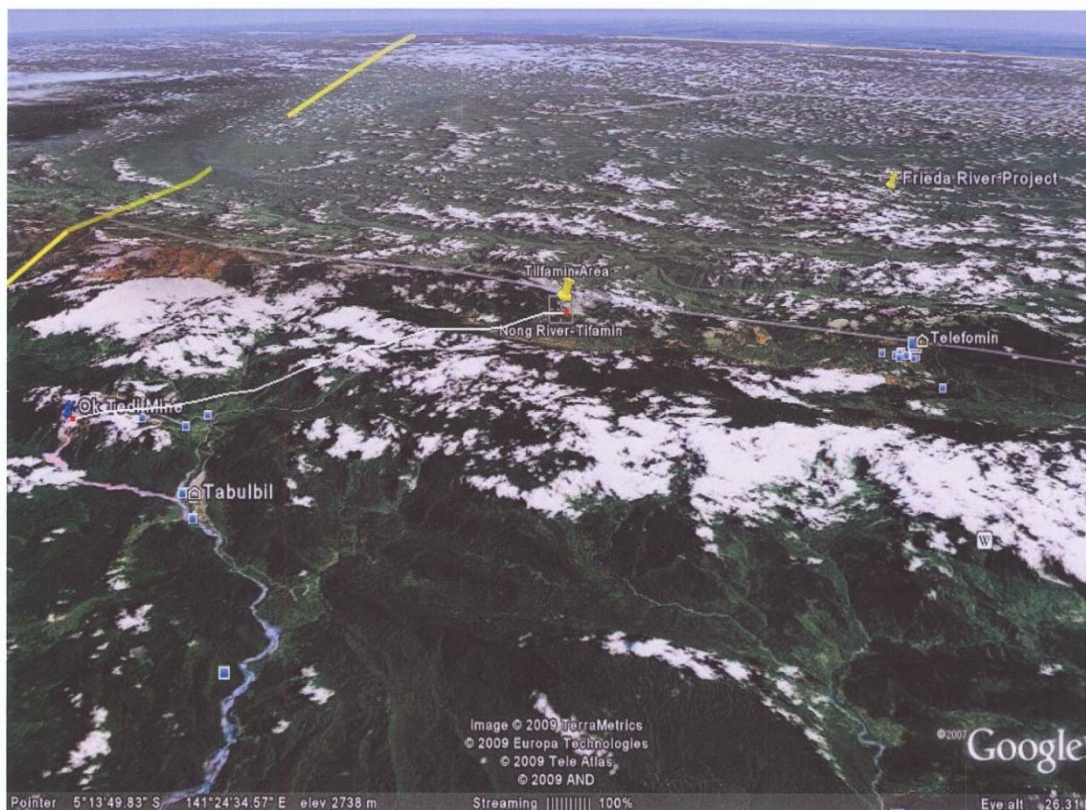
35Km NE of Ok Tedi.

### Prospect - High potential

Cu/Au porphyry deposit.  
Exploration program to be conducted in the near future

Xstrata 72% Highlands 28%.  
Drilled by Kennecott in 1970s.

Also surrounding this area is the 100% HIG owned EL1392 at Tifalmin.





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## Conclusion - Summary - Our Investment Case

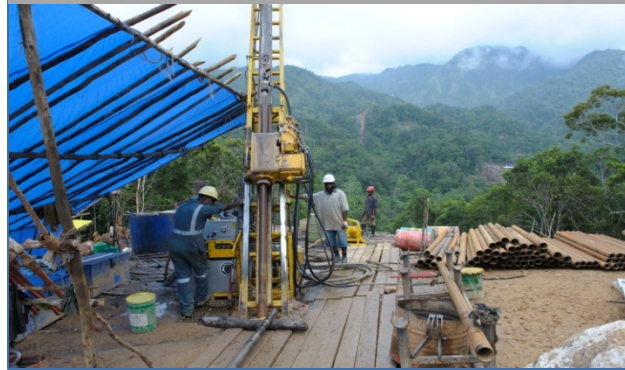


## Major Projects - Major Resources - Major Partners

Ramu Nickel/Cobalt



Frieda Copper/Gold



Exploration



**Low Cost + Long Life (+25 years)**

**+ Cash: US\$23m**



**Highlands Pacific**  
**"Quality assets of inherent value"**

# Contact us

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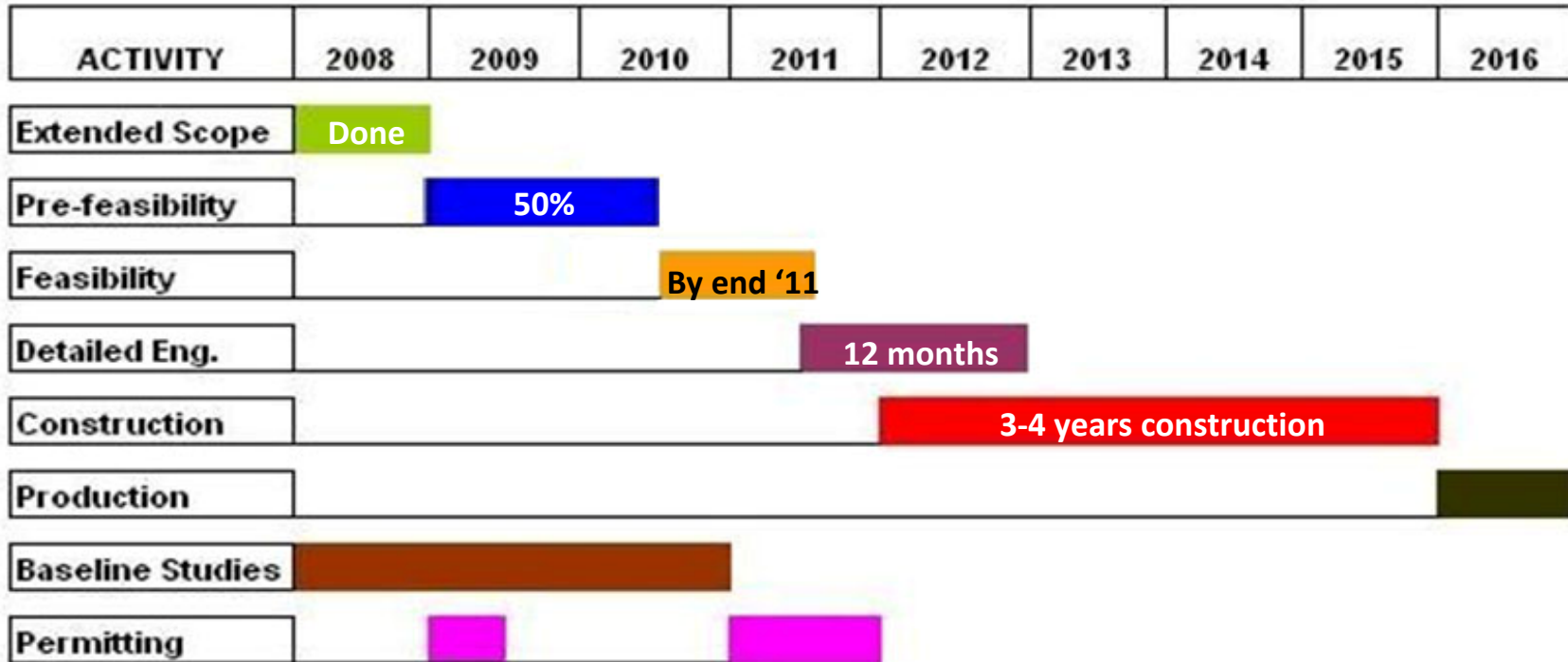
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# Appendices



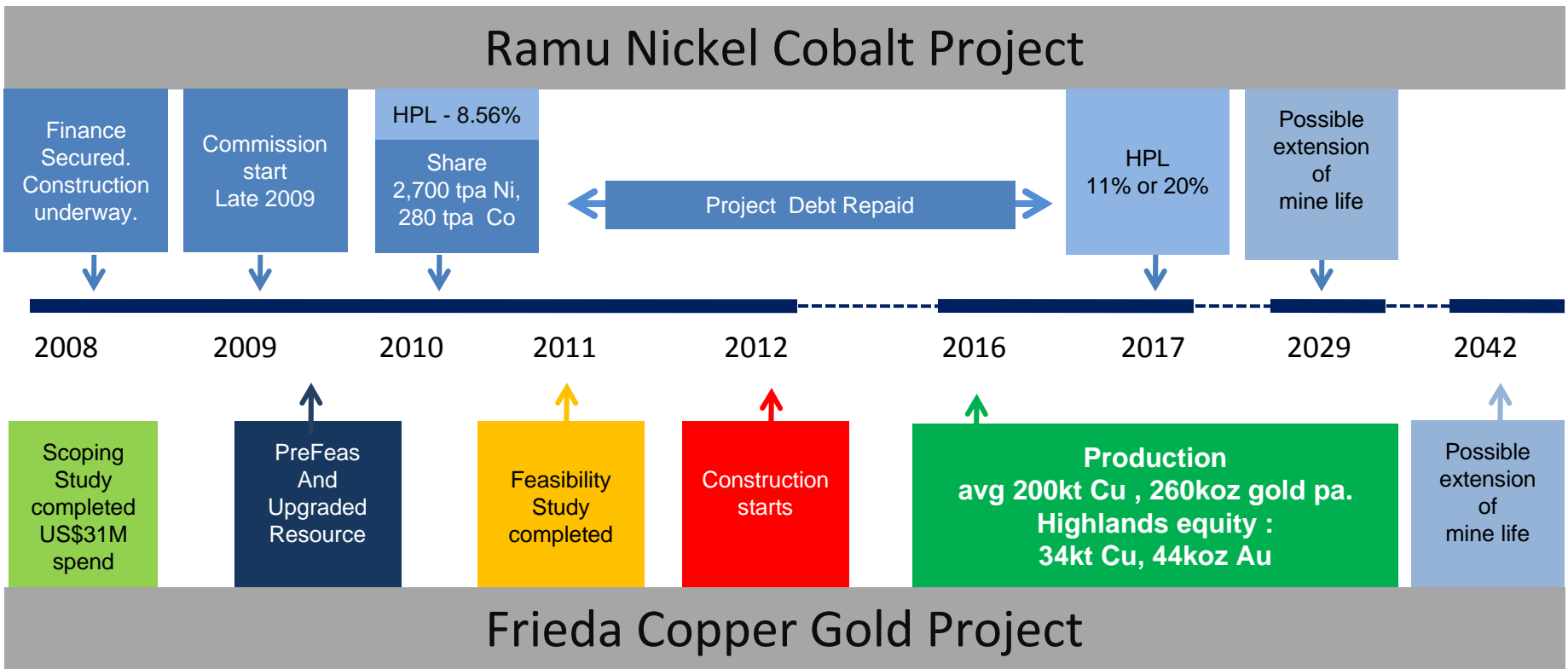
## Frieda Project - Timeline



All scope, prefeasibility, feasibility study costs carried by Xstrata

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# Frieda and Ramu Project Timelines



Major Projects - Major Resources - Major Partners

### Wau Exploration Prospect





## Wau Exploration Prospect - EL 1340



### Location

- Within historic Wau-Bulolo Goldfield
- 5kms away from Kerimenge, Hamata and Hidden Valley deposits. (5M oz Au)

### Prospect

Although a small EL it contains two significant high-grade shallow level epithermal Au prospects, Yangalemu and Kobiak.

### Program 2008-9

- US \$1.5m
- 1392 metres drilled

Upside potential

## Appendix - Wau-Yangalemu 2008-09 Drill Results



Hole	Depth from	Depth to	Interval (m)	Au (g/t)
008YD08	6.2	8.5	2.3	2.50
008YD08	102	104	2	3.31
	147	148	1	1.82
	196	197	1	9.31
009YD08	0	2	2	17.7
	42.6	44.2	1.6	2.10
	99	100	1	2.47
	183	184	1	1.28
010YD08	114	116	2	1.80
011YD08	19	20	1	14.0
	52	53	1	1.49
012YD08	31	33	2	3.10
013YD08	73	74	0.5	1.31
	79	81	2	3.36
	91	92	1	1.07
	126	127	1	1.30
	128	129	1	11.0
015YD09	23	24	1	3.45
	44	45	1	4.32

Composite Intercepts assaying greater than 1.0 g/t gold

# Appendix - Ramu Project Construction



Acid making: 60 % done

Workshops: 100% done

Iron/Al removal: 80% done

Autoclaves: 80% done

Warehouses: 100% done

Fuel storage: 60 % done

Sulphur burning: 50 % done



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## Appendix - Ramu Finance Structure



**Capex:** US\$1.4B. *(Including financing costs during construction).*

**Structure:** 75% debt & 25% equity. Equity funding free carry.

**Repayment:** By 2017 from cash flow.

**Tax:** JV 10 year tax holiday

**Security :** Debt funding arranged and secured by MCC.

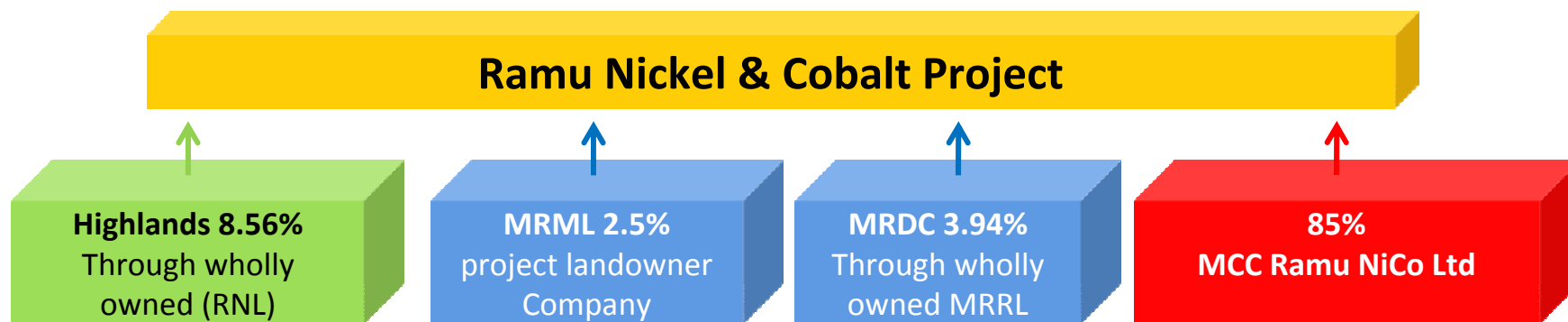
**China Syndication** - US\$560M China Exim Bank, US\$470M Shareholder loan from the Chinese Syndicate

**Non recourse** - Non Chinese JV partners have debt portion of capex capped at approx US\$950M.

Fully funded non recourse to Highlands

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## Appendix - Ramu Project Partners



RNL - Ramu Nickel Limited owned by Highlands Pacific

MRRL - Mineral Resources Ramu Limited

MRML - Mineral Resources Madang Limited

MCC Ramu NiCo Limited

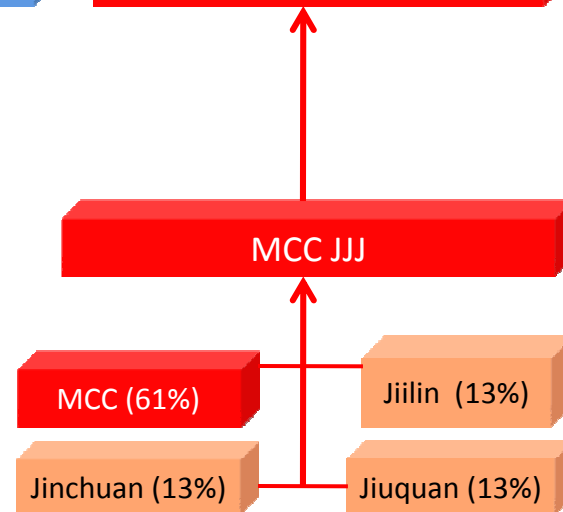
“MCC” - China Metallurgical Group Corporation

“MCC JJJ” - MCC JJJ Mining Development Company Ltd

“Jinchuan” - Jinchuan Group Limited

“Jiln” - Jilin Jien Nickel Industry Corporation Limited

“Jiquan” - Jiuquan Iron and Steel Group



Major Chinese Partners

## Appendix - Ramu Autoclaves



- Made by world renowned supplier Morimatsu in Shanghai China.
- Made from 115mm carbon steel lined with 8mm titanium (GrT17).
- Each weigh 740 tonnes
- Proven Ekato agitators and seals
- Tested to 5.3Mpa at 260 degrees celcius
- 34 metres in length and 5 metres in diameter



## Appendix – Disclaimer Frieda Resource



The Nena, Horse/Ivaal/Trukai and Koki deposits are now estimated to collectively contain approximately 14.9 billion pounds (7.4 million tonnes) of copper and 11.1 million ounces of gold.

The resources at the Nena and Frieda River deposits are summarised in the tables below:

### Nena Deposit – Identified Mineral Resource (0.5% Cu lower cut off)

Resource Class	Tonnes (Mtn)	Cu %	Au g/tn	As (%)	Sb ppm
Indicated	37	2.67	0.63	0.21	143
Inferred	14	1.80	0.42	0.13	86
<b>Total</b>	<b>51</b>	<b>2.43</b>	<b>0.57</b>	<b>0.19</b>	<b>127</b>

#### Notes:

- Copper resource – lower cut off grade 0.5% copper,
- Mineral Resources stated herein are based on the “Nena 2008 Conceptual Stage Resource Model”
- These figures are constrained by topography; no economic pit has been applied to constrain the estimate. Numbers have been rounded for tabulation.

## Appendix – Disclaimer Frieda Resource



Horse-Ivaal-Trukai deposit estimated Mineral Resource using a 0.3% copper cut-off

Resource Category	Tonnage (Mt)	Cu %	Au g/t
Indicated	90	0.61	0.37
Inferred	750	0.53	0.26
<b>Total</b>	<b>840</b>	<b>0.53</b>	<b>0.28</b>

Horse-Ivaal-Trukai deposit estimated Mineral Resource using a 0.5% copper cut-off

Resource Category	Tonnage (Mt)	Cu %	Au g/t
Indicated	60	0.73	0.42
Inferred	360	0.67	0.32
<b>Total</b>	<b>420</b>	<b>0.67</b>	<b>0.34</b>

Note: These figures are constrained by topography; no economic pit has been applied to constrain the estimate. Numbers have been rounded for tabulation.

Note:

The information in the report that relates to Mineral Resources presented is based on information compiled by Mr Raúl Roco, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Roco is a full-time employee of an Xstrata Copper entity. Mr Roco has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the estimation of Mineral Resources to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Roco consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Appendix – Disclaimer Frieda Resource



### Koki Deposit – Estimated Mineral Resource using a 0.2% copper cut-off

#### Koki Deposit – Identified Mineral Resource (Inferred)

Mt	Cu%	Au g/t
274	0.4	0.3

Notes:

- The Koki deposit has been intersected by 30 drill holes on a nominal 150 m x 300 m grid.
- The resource information for Koki is based on information compiled by Lawrence Queen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Queen is a full-time employee of Highlands Pacific and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Queen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

## Appendix – Disclaimer Ramu 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:

- No upper cut off used. Maximum grade (lithology composite) is 3.44% Ni and 0.91% Co.
- Lower cut off of 0.5% Ni used to define the down-hole limit of the overburden.
- 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.
- 1,139 HQ and NG diamond drill holes totalling 22,363 metres, with an average depth of 19.6 metres per hole.
- 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.
- 22,145 drill samples were assayed for Ni, Co and Mg. Selected samples and composites were analysed for Mn, Al, Si, Fe and Cr.
- Bulk density measurement from 1,550 drill core samples and 12 insitu tests.
- Face sampling and mapping from two trial mining pits.
- 60 line kilometres of ground penetrating radar (GPR) survey to map the depth profile of the laterite development between drill holes.
- 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
- The information in this report that relates to Kurumbukari Mineral Resources is based on information compiled by Lawrence Queen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Queen is a full-time employee of Highlands Pacific and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Queen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



## Appendix – Disclaimer Ramu Resource



### 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.

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

The information in this report that relates to Ore Reserves is based on information compiled by Dr Brian White, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr White is employed by Coffey Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr White consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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