

ASX Release

30 April 2013

**HIGHFIELD
RESOURCES LIMITED**
ACN 153 918 257

Level 1
33 Richardson Street
West Perth WA
Australia

Tel: +61 8 9200 4426
Fax: +61 8 9200 4469

Contact

Mr Anthony Hall
Managing Director

E-mail

info@highfieldresources.com.au

Officeholders

Derek Carter
Anthony Hall
Pedro Rodriguez
Scott Funston
Jonathan Murray
Aaron Bertolatti

Issued Capital

95.5 million shares
100 million performance
shares
13 million options

ASX Code

HFR

MARCH 2013 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Highfield Resources agreed to issue 40 million new shares to EMR Capital for total consideration of \$10m at an equivalent 8.7% premium on total funds raised
- 3D model completed on former operating mines within the Sierra del Perdon potash project and initial mine method hypothesis determined
- Key studies and testing initiated for Javier potash project
- Significant Exploration Target for Pintano potash project released
- Project office secured in Pamplona, Spain

CORNERSTONE INVESTOR SECURED

On 16 April Highfield announced it had secured a significant investment from EMR Capital to aid in the development of its Spanish based potash assets. EMR is a recently established institutional fund led by highly respected and knowledgeable industry executives including Owen Hegarty, Jason Chang and Richard Crookes.

Highfield Resources will allot 23,755,626 ordinary shares at an average price of 21.6c raising \$5,126,688 to EMR (**Tranche 1**). These shares will represent 19.9% of outstanding issued ordinary share capital. The placement of Tranche 1 will be conducted under the Company's existing placement capacity pursuant to Listing Rules 7.1 and 7.1A.

An additional allotment of 16,244,374 ordinary shares at 30c raising \$4,873,312 will be subject to shareholder approval (**Tranche 2**). Should Tranche 2 receive shareholder approval, EMR will hold 40 million ordinary shares. This represents 29.5% of outstanding ordinary share capital on an undiluted basis and 15.9% on a fully diluted basis.

The non-brokered placement will enable the Company to progress Feasibility Studies on two of Highfield Resources Spanish potash projects. The Board's present targets are the advanced Sierra del Perdon and Javier potash projects.

SIERRA DEL PERDON POTASH PROJECT UPDATE

Formerly known as the Navarra potash project, the Sierra del Perdon potash project contains two former operating mines. Between 1972 and 1997 the two mines operated producing close to 10m tonnes of potash.¹

Highfield's Spanish based geological team has now placed all historic production records and various mine maps of the former operations into a 3D model. An initial mine methods' hypothesis has been created that will be tested over the coming quarter through a planned drilling programme and mineralogical and beneficiation testwork.

¹ Source: Annual Ministerio de Industria lodgements by Mina de Potasas de Navarra, SA (former mine owner)

JAVIER POTASH PROJECT UPDATE

Formerly an area within the Aragon potash project, the Javier project covers an area of around 20 square kilometres. Depths to the top of the potash mineralisation are relatively shallow at between 300 metres and 550 metres.

Positive progress has been made on this project over the quarter highlighted by:

- Reanalysis of core samples from three historic drill holes;
- Creation of a preliminary mineralogical model based on historic drill hole data;
- Initiation of a process to commence mineralogical and preliminary beneficiation testwork;
- Commencement of a process to complete transport studies; and
- Productive meetings with key executives within the Aragon Administration.

PINTANO POTASH PROJECT UPDATE

The Pintano potash project is the second area of the project formerly known as the Aragon potash project. Pintano is the more extensive area and covers an area of around 100 square kilometres. Depths to the top of the potash mineralisation start at around 500 metres ranging through to around 1,200 metres.

Highfield was pleased to release a significant Exploration Target on this area based primarily on four historic drill holes and reinterpreted seismic that demonstrated strong continuity of the evaporite.

The Company is presently planning a significant drilling programme to target additional areas within the large project area. This drilling programme is presently scheduled for the second half of this Calendar Year. Importantly test work and studies being commenced on the Javier potash project will also be relevant for the Pintano potash project.

MCLARTY POTASH PROJECT UPDATE

The McLarty project is a significant greenfields' asset covering over 1,700 kilometres in the Canning Basin. Two strong drill hole targets have been identified to test the evaporite for potash mineralisation.

Consulting geologists have been engaged to prepare a drilling programme with a view to drilling in the second half of this Calendar Year.

CORPORATE

The Board is pleased to confirm it has secured office accommodation in Pamplona, Spain. This office will become Highfield's project office in Spain and will house the majority of the Company's staff.

During the quarter, Highfield's 100% owned Spanish subsidiary, Geoalcali appointed Mr John Claverley as General Manager and Mr Gonzalo Mayoral as Director of Mining Engineering. Mr Claverley and Mr Mayoral bring a wealth of in country experience and qualifications to implement the company's strategy to quickly develop its Spanish assets into potash producing mines. In addition to these appointments, an additional project geologist was appointed.

The Company is presently completing appointments of a senior community engagement manager and environmental engineer to complement its existing Spanish based delivery team. The appointment of the additional project geologist will help facilitate the Company's anticipated Spanish drilling programme. The community engagement manager and environmental engineer are critical appointments to help further the Company's Spanish development programme.

The Company's focus remains on its Spanish assets given their near term production prospects.

Anthony Hall
Managing Director

ABOUT HIGHFIELD RESOURCES

Highfield Resources is an ASX Listed potash company with four key projects located in Spain and Australia.

Highfield's Javier, Pintano and Sierra del Perdon potash projects are located in the Ebro potash producing basin in Northern Spain. The Sierra del Perdon project includes two former operating mines. Highfield's key objective is to quickly recommence production from these mines. The Javier and Pintano potash projects are located in two separate sub basins within 60 kilometres of the former operating mine. Highfield owns a 100% interest in the five granted tenements with three applications pending that comprise the three projects and cover over 400 km².

Highfield's McLarty potash project is located in the Canning Basin of northern Western Australia. The Canning Basin contains vast accumulations of Ordovician evaporite salt bearing sediments at relatively low depths underground that is considered prospective for economic potash mineralisation. The Company has entered into a farm in agreement to explore three granted tenements and may obtain an interest of up to 80% of the project.

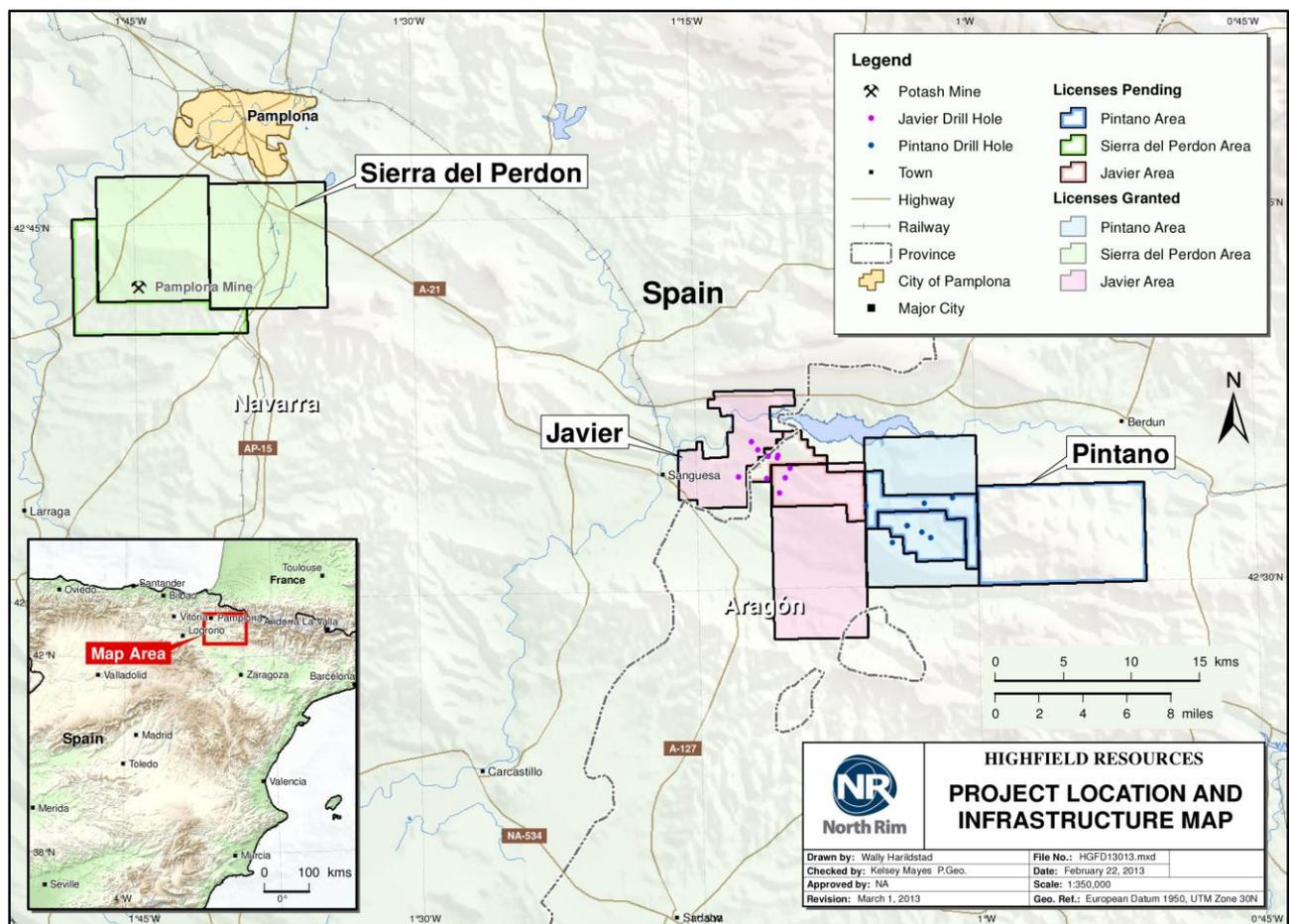


Figure 1: Location of Highfield's Javier project in relation to its Pintano and Sierra del Perdon projects.