
27 July 2012

**HIGHFIELD
RESOURCES LIMITED**
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Issued Capital

44.0 million shares
6.0 million options

ASX Symbol
HFR

JUNE 2012 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Due diligence progressing well on Navarra Potash Project in Spain.
- Highfield Resources Limited ("the Company") expects to make a further release to the market concerning the Navarra Potash Project in the near future once due diligence is concluded.
- Heritage clearance activities for McLarty Potash Project scheduled to commence on 28 July 2012.

PROJECTS

Navarra Potash Project

On 27 June 2012 the Company announced it had agreed to acquire a 100% interest in the Navarra Potash Project in Spain, subject to due diligence, ASX and shareholder approval.

The Project comprises five tenements covering 430kms² located in the Ebro potash producing basin in Northern Spain. Exploration licenses have been granted for all five tenements and a program aimed at securing a maiden JORC resource is the Company's initial aim.

The Company expects to conclude its due diligence activities in the next couple of weeks at which time it will make a further release to the market.

McLarty Potash Project

The McLarty Potash Project comprises three contiguous exploration tenements located in the south Kimberley region of northern Western Australia. It is located in the Canning Basin which contains vast accumulations of evaporite (salt) sediments considered prospective for economic potash mineralisation. The Project is centred on the McLarty Sub-basin where the prospective Mallowa Salt unit is interpreted to be approximately 640m deep.

Two robust high ranking potash targets have been identified for drill testing.

The drilling timeline is subject to obtaining necessary heritage approvals from the Ngurrara Native Title Claimant Group. The Ngurrara people have rights over the land on which the tenements are located. Highfield presented its proposed work program to representatives of the Ngurrara people in April of this year in Broome.

The on site heritage clearance activities are planned to commence on Saturday 28 July 2012 and are expected to last three to five days. It is the expectation of the Board that a positive outcome from the heritage clearance should be provided shortly thereafter. This will allow the Company to lodge its Program of Works (PoW) with the Western Australian Department of Mines and Petroleum.

Approval of the PoW will enable drilling activities to commence.

CORPORATE

The Company continues to evaluate various potash projects in Australia and overseas that have been offered for review.

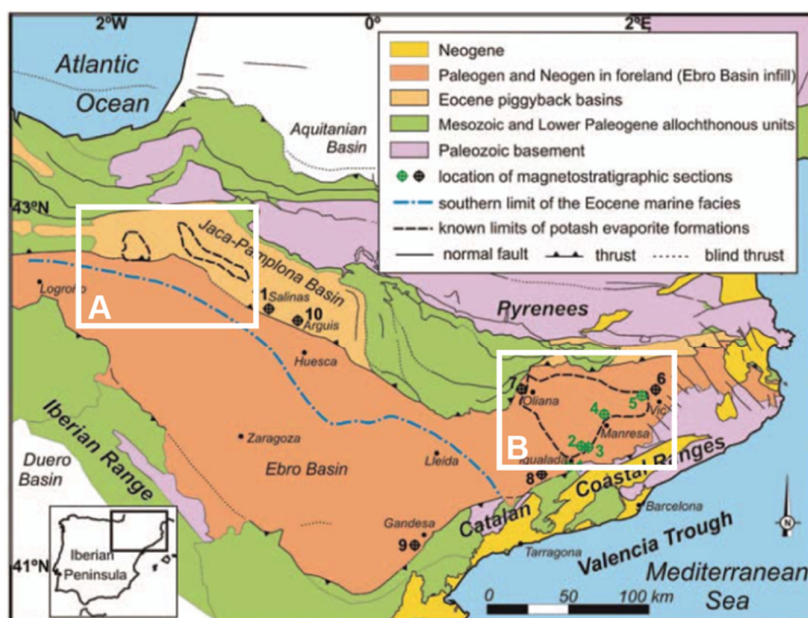
Anthony Hall
27 July 2012

The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Mark Arundell who is a member of the Australian Institute of Geoscientists. Mr Arundell is the Exploration Director of Highfield Resources Limited. Mr Arundell 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 Arundell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1 – Map of Spain showing location of Navarra Potash Project



Figure 2 – Map of Ebro Basin showing location of Navarra and Catalan sub-basins



A: Navarra Potash Sub-Basin

B: Catalan Potash Sub-Basin

Figure 3 – McLarty Potash Project Location Map

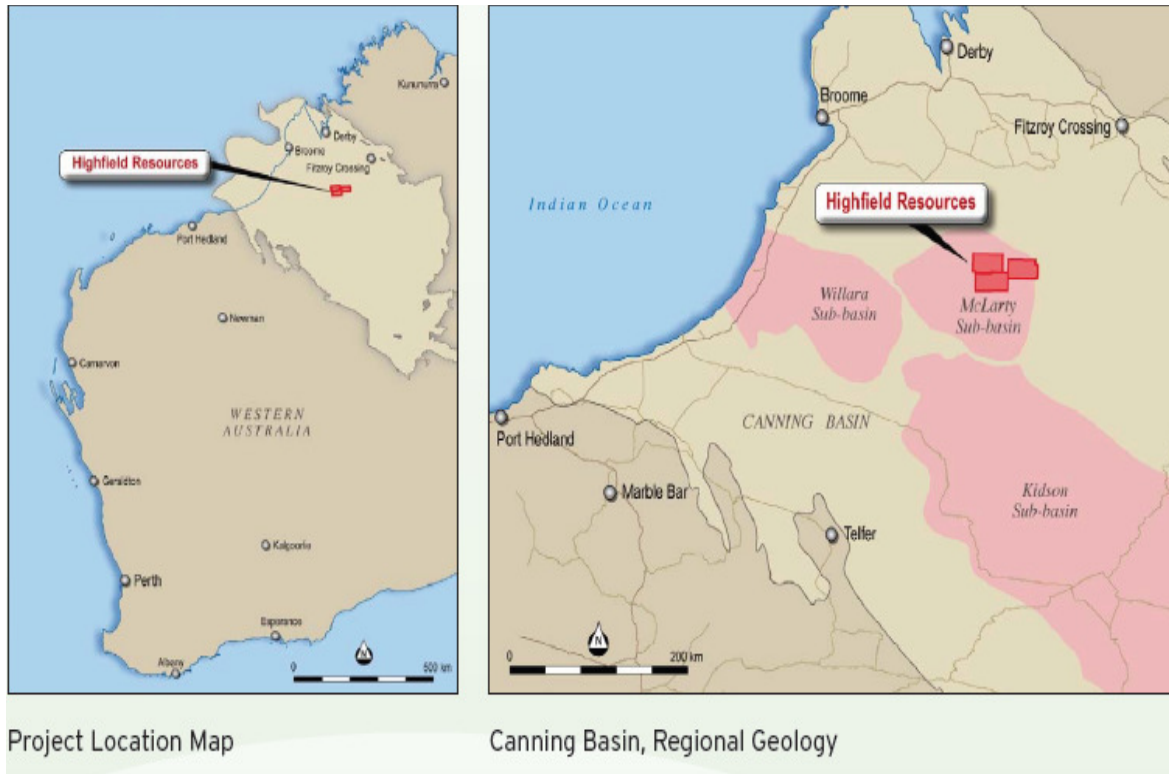


Figure 4 – Tenement Location Map within McLarty Sub-basin

