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100 million performance
shares
20 million options

ASX Code
HFR

SUCCESSFUL DRILLING AT SIERRA DEL PERDÓN AND COMMENCEMENT OF DRILLING AT JAVIER PROJECT

HIGHLIGHTS

- **Potash mineralisation has been intersected as expected in the initial drill hole at the Sierra del Perdón potash project**
- **Visual inspection of the core indicates that the hole intersected a potassium bearing seam at around 396m below the surface extending to around 410m.**
- **The seam appears to indicate some 9m of interbedded carnallite¹ followed by a further 5m of interbedded sylvinite¹, and is consistent with the historical mining and drill hole data.**
- **Drilling campaign commenced at Javier potash project**

Spanish potash developer Highfield Resources is pleased to report on the initial results of its Sierra del Perdón potash project confirmatory drilling campaign and the commencement of drilling at its Javier potash project.

SIERRA DEL PERDON PROJECT INITIAL MINERALISATION INTERSECT

Highfield's 100%-owned Sierra del Perdón project covers an area of about 80km² in Northern Spain. It contains two former operating mines that produced close to 10 million tonnes of potash product between 1972 and 1997.²

The initial drill hole of the four hole confirmatory programme has intersected a thick layer of salt including what appears to be potassium mineralisation of about 14 metres at depths of 396.05 to 410.05 metres below surface.

Based on visual inspection, and consistent with historical mine records and historical drill hole data, there appears to be the following:

1. A carnallite¹ intersect running from 396.05m to 405.30m with some interbedding of halite¹, marls and sylvinite¹ in transition; and
2. A sylvinite intersect running from 405.30m to 410.05m with some interbedding of halite.

Beneath the sylvinite seam appears to be a halite layer of around 20 metres. The recovery of the cores has also been very good with limited dissolution (Figure 1 to 5).

¹ Carnallite is hydrated potassium magnesium chloride, Sylvinite is a mechanical mixture of potassium and sodium chlorides and halite is the mineral form of sodium chloride.

² Source: Annual Ministerio de Industria lodgements by Mina de Potasas de Navarra, SA (former mine owner)

Importantly these results appear to confirm historic reports on the extent of the evaporite and the mining records detailing the extraction of some 37m tonnes of sylvinite ore and 5.5m tonnes of carnallite ore from the project area. The former operating mines extended to some 35km² of the 60km² project area of the Highfield permits over the evaporite.

The core is subject to assaying and additional analysis to confirm chemical composition of the salt mineralisation.



Figure 1: Core samples from initial drill hole on the Sierra del Perdón Potash Project (395.80 to 398.95m)



Figure 2: Core samples from initial drill hole on the Sierra del Perdón Potash Project (398.95 to 401.85m)



Figure 3: Core samples from initial drill hole on the Sierra del Perdón Potash Project (401.85 to 405.10m)



Figure 4: Core samples from initial drill hole on the Sierra del Perdón Potash Project (405.10 to 408.35m)



Figure 5: Core samples from initial drill hole on the Sierra del Perdón Potash Project (408.35 to 411.45m)

JAVIER PROJECT COMMENCEMENT OF DRILLING CAMPAIGN

Highfield's 100%-owned Javier project covers an area of about 20km² in Northern Spain. Depths to the top of the potash mineralisation are relatively shallow at between 300 metres and 530 metres.

The initial drilling rig arrived on site on Tuesday 30 July 2013 and drilling commenced on Wednesday 31 July 2013. The drilling campaign will see 11 holes drilled over the coming three months (Figure 6). Drill rigs will be shifted to the Javier project upon completion of the four-hole campaign at Sierra del Perdón. It is anticipated that there will be three rigs in operation at Javier by the end of August 2013.

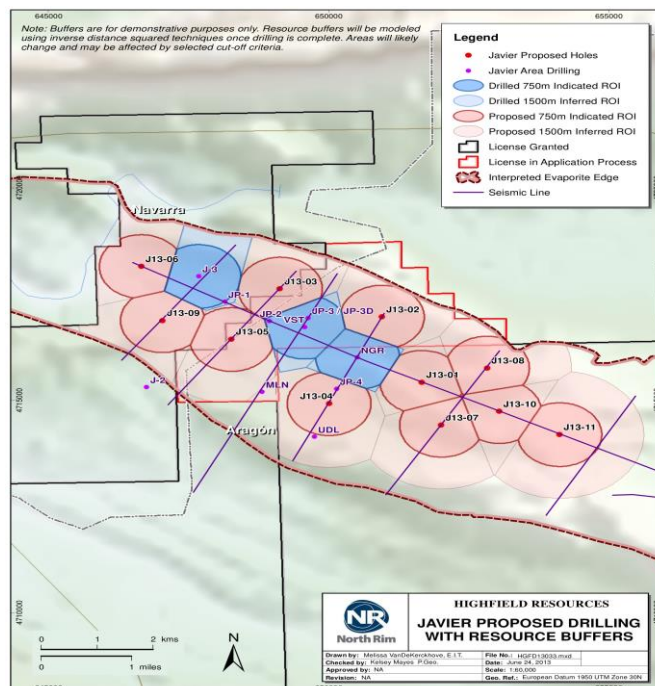


Figure 6: Javier Area Proposed Drilling Campaign and Associated Radii of Influence (ROIs)

The Company's focus remains on its 100% owned Spanish projects given the near-term production potential.

Anthony Hall
Managing Director

Competent Persons' Statement

This ASX release was prepared by Mr. Anthony Hall, Managing Director of Highfield Resources and Ms Vanessa Santos, P.Geo., of Agapito Associates. The Competent Person under JORC Code standards and reviewer for this release pertaining to the information is Ms Vanessa Santos, P.Geo. of Agapito Associates of Colorado, USA. Ms Santos is a licensed professional geologist in South Carolina and a registered member of the Society of Mining, Metallurgy and Exploration Inc which is a JORC Code 'Recognized Professional Organization' (RPO). An RPO is an accredited organization of which the Competent Person under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX. Ms Santos is the Chief Geologist with Agapito Associates and has sufficient experience to qualify as a Competent Person for the relevant style and type of mineralisation and deposit under consideration of this release. Ms Santos consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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 Perdón potash projects are located in the Ebro potash producing basin in Northern Spain. The Sierra del Perdón 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 six granted tenements and two applications pending that comprise the three projects and cover more than 400km².

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.

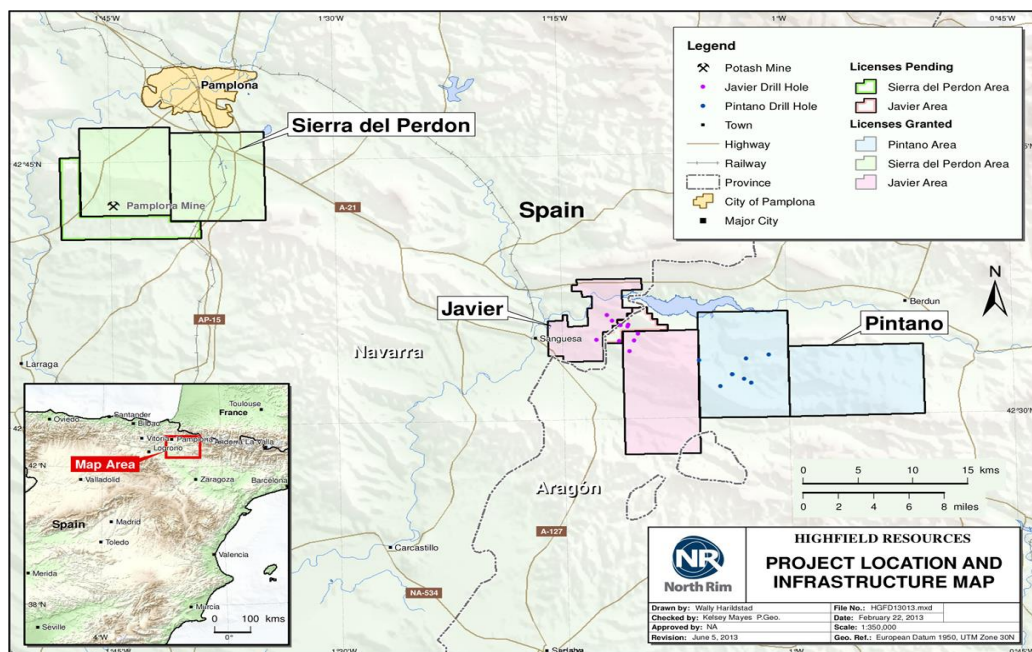


Figure 7: Location of Highfield's Javier, Pintano and Sierra del Perdón projects in Northern Spain