

ASX Release

27 March 2014

**HIGHFIELD
RESOURCES
LIMITED**
ACN 153 918 257

ASX Code
HFR

Registered Office
C/- HLB Mann Judd
169 Fullarton Road
Dulwich, SA 5065
Australia

Tel: +61 8 8133 5098
Fax: +61 8 8431 3502

Head Office
Calle Navas de
Tolosa, 5 - 1ºB, 31002
Pamplona, Spain

Tel: +34 948 050 577
Fax: +34 948 050 578

Contact

Anthony Hall
Managing Director

Directors

Derek Carter
Richard Crookes
Anthony Hall
Owen Hegarty
Pedro Rodriguez

Company Secretary

Donald Stephens

Issued Capital

135.5 million shares
103 million
performance shares
21 million options

PFS FOR JAVIER POTASH PROJECT IN FINAL STAGES

HIGHLIGHTS

- **Final Draft of Javier Project PFS being peer reviewed**
- **Results of Javier Project PFS expected to be released early in June Quarter**
- **JORC compliant Resource estimate being completed for Sierra del Perdón Project**
- **Drilling campaign commenced at Pintano Project**
- **Three investigation permits granted in current Quarter**

Spanish potash developer Highfield Resources (HFR:ASX) is pleased to provide an update on its 100% owned Spanish potash projects.

JAVIER POTASH PROJECT

Highfield's 100% owned Javier Project covers an area of 97km² in Northern Spain. It is less than 40kms from the Sierra del Perdón Project. Depths from surface to potash mineralisation commence at less than 300m. The Company is building on substantial historical potash exploration information that includes ten drill holes and seven seismic profiles completed in the late 1980s. To date, the Company has completed seven drill holes.

Independent geology and mining consultant, Agapito Associates Inc is currently finalising an upgraded JORC compliant Measured and Indicated Resource estimate. This estimate is based primarily on the results of the current drilling campaign that indicates the mineralisation is open to both the east and west along the long axis of the deposit. The Resource should be released in April 2014.

The Company has substantially completed a Preliminary Feasibility Study (PFS). This PFS is being peer reviewed by Spanish engineering specialist, IDOM. IDOM is acting as prime contractor for the expansion of a potash operation in Cataluña, located in the eastern part of the same potash producing basin as the Highfield projects.

An additional eight hole drilling campaign has commenced that will test the eastern extension of the Javier Project area. Positive results will enhance the Resource estimate and are likely to extend the life of the operation considered in the PFS. The initial results are expected in May 2014.

SIERRA DEL PERDON POTASH PROJECT

Highfield's 100% owned Sierra del Perdón Project covers an area of more than 100km² in Northern Spain. It contains two former operating mines that produced close to 10 million tonnes of potash between 1972 and 1997.¹

A JORC compliant Measured and Indicated Resource estimate is being completed. The Company expects to release this in the June Quarter.

PINTANO POTASH PROJECT UPDATE

Highfield's 100% owned Pintano Project abuts the Javier Project and covers an area of 125km². Depths from surface to the top of the mineralisation commence at around 500m. Seven drill holes for potash exploration and five seismic profiles were completed in the late 1980s.

An initial eight hole drilling campaign has commenced on the Project that is designed to test and build on the historical information.

PERMITS

The Company has been granted three Investigation Permits in February and March 2014:

- Ampliación Adiós permit in Sierra del Perdón
- Fronterizo permit in Javier
- Molineras 10 permit in Pintano

The Company expects to receive the Muga permit, part of the Javier Project, shortly.

Table 1. Interests in Mining Permits Held by the Company*

Project	Region	Permit Name	Permit Type	Applied	Granted	Ref #	Area (km ²)	Holder	Structure
Sierra del Perdón	Navarra	Quiñones	Investigation	19/07/11	7/08/2012	35760	32.48	Geoalcali SL	100%
Sierra del Perdón	Navarra	Adiós	Investigation	19/07/11	7/08/2012	35770	75.60	Geoalcali SL	100%
Sierra del Perdón	Navarra	Ampliación Adiós	Investigation	26/10/12	14/02/2014	35880	40.90	Geoalcali SL	100%
Javier	Navarra	Goyo	Investigation	19/07/11	24/12/12	35780	27.72	Geoalcali SL	100%
Javier	Navarra	Vipasca	Investigation	11/06/13	Pending	35900	38.92	Geoalcali SL	100%
Javier	Aragón	Fronterizo	Investigation	21/06/12	5/02/2014	3502	9.80	Geoalcali SL	100%
Javier	Aragón	Muga	Investigation	28/05/13	Pending	3500	20.40	Geoalcali SL	100%
Pintano	Aragón	Molineras	Exploration	20/07/11	22/11/11	3495	90.70	Geoalcali SL	100%
Pintano	Aragón	Molineras 10	Investigation	20/11/12	6/03/2014	3495/10	18.20	Geoalcali SL	100%
Pintano	Aragón	Molineras 20	Investigation	19/02/13	Pending	3495/20	16.80	Geoalcali SL	100%
Pintano	Aragón	Puntarrón	Exploration	13/12/12	27/05/13	3509	90.70	Geoalcali SL	100%

* **Location:** All permits are located in Spain.

Holder: Geoalcali SL is a 100% owned Spanish subsidiary of Highfield Resources Limited.

STRATEGY

The Company continues to actively progress preliminary work on constructing mines at both its Javier and Sierra del Perdón Projects with Pintano forming a logical extension to Javier.

The results of the PFS will be released shortly on the Javier Project and the Company intends moving quickly into the preparation of a Definitive Feasibility Study for this Project. The detailed Scoping Study for the Sierra del Perdón Project is currently being prepared and should be completed the June 2014 Quarter.

The Company is targeting the completion of a Definitive Feasibility Study for its Javier Project in the second half of the 2014 Calendar Year and mining concession approvals in the first half of the 2015 Calendar Year.

The Company is in the fortunate position of owning three potash projects in Northern Spain. Given the Projects are all located in the same area it means that a substantial amount of feasibility study work is relevant for all projects. As a result, the Company intends to continue to its dual development strategy with a view to quickly taking both the Javier and Sierra del Perdón Projects into production.

For more information:

Anthony Hall
Managing Director
Ph: +34 617 872 100

Simon Hinsley
Investor Relations
Ph: +61 (0) 401 809 653

¹ Source: Annual Ministerio de Industria lodgements by Mina de Potasas de Navarra and Subiza

ABOUT HIGHFIELD RESOURCES

Highfield Resources is an ASX-Listed potash company with three 100%-owned projects located in Spain.

Highfield’s Javier, Pintano and Sierra del Perdón potash projects are located in the Ebro potash producing basin in Northern Spain covering a project area of about 350km². The Sierra del Perdón project includes two former operating mines. The Company is working on feasibility studies for both the Sierra del Perdón and Javier projects.

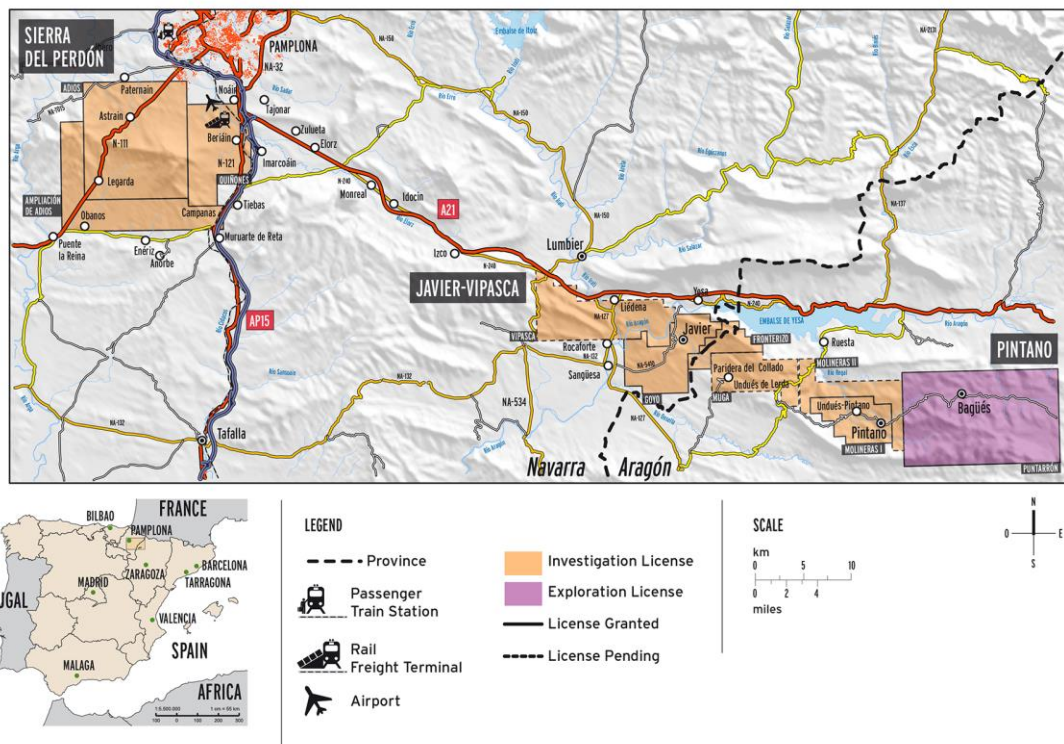


Figure 1: Location of Highfield’s Javier-Vipasca, Pintano and Sierra del Perdón projects in Northern Spain