Highfield Resources Limited
A Unique Potash Company

Company Presentation
Perth, September 2012
Competent Person’s Statement

The information contained in this presentation that relates to Exploration Results, Mineral Resources or Ore Resources is based on information reviewed and compiled by Mr Mark Arundell who is a member of the Australian Institute of Geoscientists. Mr Arundell is an Executive Director of Highfield Resources.

Mr Arundell has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources. Mr Arundell consents to the inclusion in this presentation of the matters based on his information in the form and context which it appears.

Forward Looking Statements

This presentation includes certain ‘forward looking statements’. All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements.

Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The company does not assume any obligation to update any forward looking statement.

IMPORTANT NOTE:
The acquisition by Highfield Resources of the Navarra and Aragon Potash Projects in Spain are subject to a shareholder approval at a vote planned for 5 October 2012.
Unique Advantages

1. Former Operating Mine
   - A 100% interest in the Navarra Potash Project located in Spain’s Ebro Basin, that includes a former operating mine that averaged 400,000 tonnes of potash pa over 25 years.
   - Majority of asset remains under explored and unmined.

2. Additional Ebro Basin Project
   - Aragon Potash Project also located in Spain’s Ebro Basin (close to Navarra Potash Project).
   - Historic drilling suggests excellent potential for discovery of additional potash resources.

3. Unparalleled External Infrastructure
   - Both Ebro Basin potash assets have access to grid electricity, gas networks, water, transport, industrial ports and labour in a European Union country.

4. Proven In Country Management Team
   - In country management team have been responsible for delivering two operating mines in Spain in the past five years.
   - Team to hold over 20% of Company’s issued capital on a fully diluted basis.

5. Greenfields Exploration Upside
   - Exceptional greenfield exploration asset located in the Canning Basin in Australia’s Kimberley region where salt thickness is over 600 metres at relatively shallow depths.
1. Potash

What is Potash?

The term potash is used to describe various minerals and chemicals valued primarily for their potassium content. The main source of potash is potassium chloride.

Potash is a widely used nutrient fertiliser along with nitrogen and phosphorous. Fertiliser use accounts for approximately 95% of total potash consumption.
1. Potash

What is Potash?

Its primary role in plants is to support and improve:

- Plant growth;
- Water retention;
- Nutrient value;
- Enzyme activation;
- Yield;
- Taste; and
- Disease resistance.

Potash also helps the milk production process in animals.
1. Potash
How is it formed?

Evaporite Basin Diagram

http://higheredbcs.wiley.com/legacy/college/levin/0471697435/chap_tut/chaps/chapter10-06.html
1. Potash

How is it mined?

Room and Pillar

http://www.kgs.ku.edu/Hydro/Hutch/SaltMining/index.html

What is Potash?, IMEx Consulting 2010

http://www.kgs.ku.edu/Hydro/Hutch/SaltMining/index.html
2. Potash Market

Historical Pricing

Potash prices per tonne in USD (FOB)

Source: Company reports, Integer
Note: Mosaic FY quarter adjusted to fit calendar quarter
2. Potash Market

Long Term Fundamentals

Global Population

Population — Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Developed</th>
<th>Developing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>3.96824</td>
<td>7.43176</td>
</tr>
<tr>
<td>1990</td>
<td>6.53659</td>
<td>12.16341</td>
</tr>
<tr>
<td>2010</td>
<td>8.99892</td>
<td>17.00108</td>
</tr>
<tr>
<td>2030F</td>
<td>11.46119</td>
<td>22.23881</td>
</tr>
<tr>
<td>2050F</td>
<td>13.92342</td>
<td>27.47654</td>
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</tbody>
</table>

Source: FAO

Farmland per capita

<table>
<thead>
<tr>
<th>Year</th>
<th>1960</th>
<th>2005</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>m²</td>
<td>4800</td>
<td>3600</td>
<td>3200</td>
</tr>
</tbody>
</table>

Source: FAO
2. Potash Market

China, Brazil and India Upside

Note: “Potential” equates to the scientifically recommended usage.
3. Spanish Potash Projects

Location

Location in Spain

Location in Ebro Potash Producing Basin

Highfield

Iberpotash

A: Navarra Potash Sub-Basin
B: Catalan Potash Sub-Basin
3. Spanish Potash Projects

Location

Two Projects in different sub basins

- Navarra
- Aragon

Highfield Resources

Sierra del Perdón

Javier-Pintano
## 3. Spanish Potash Projects

### Key Market Differentiation

#### Best Risk / Return Profile

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</table>
| **1. Former Operating Mine** | - A 100% interest in the Navarra Potash Project that operated as a mine for 25 years averaging close to 400,000 tonnes of potash production per annum through to 1997.  
- Majority of this asset remains under explored and unmined. |
| **2. Existing External Infrastructure** | - Both projects have access to grid electricity, gas networks, water, transport, industrial ports and labour meaning that economies of scale exist at much lower levels of production. |
| **3. Options exist with respect to mine size** | - Mine can be sized with consideration of prevailing economic conditions with expansion able to be cash flowed through sales.  
- More options with respect to off take partners at smaller size. |
- Spanish economy seen as conducive for operations due to labour costs and economic appeal. |
4. Navarra Potash Project

Produced between 1972 and 1997 at an average rate of close to 400,000 tonnes of potash per annum.

Zones A, B, C and E are areas of historic mining.

Potential for significant remnant reserves in Zone B.

Zones D and F are unmined with significant resource potential for future production.
5. Aragon Potash Project

Exploration Upside

Drill hole results indicate two extensive, shallow beds of potash mineralisation (sylvinite).

Significant mineralisation intersected in Pintano area – PP2: 2.48m @ 15.6% K20 from 517.3m

Exceptional exploration play proximal to Navarra asset.
6. McLarty Potash Project

Great Project Location

The Canning Basin contains a thick salt sequence (Mallowa Salt) largely untested for Potash.
Close to potential ports of Broome and Derby.
Good access to Asian markets.
OECD Country.
Skilled workforce.
6. McLarty Potash Project

Substantial Evaporite

Largely untested evaporite basin.

Positive signs from previous exploration.

Relatively shallow depths to top of salt layer.

Thick salt layer between 500m and 700ms.

Sub-horizontal salt layer for economic extraction.

Access arrangements negotiated and drilling ready to proceed.

Proposed Drill Hole Locations
7. Capital Structure

Post Spanish Acquisition

<table>
<thead>
<tr>
<th>Equity</th>
<th>Number</th>
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<tbody>
<tr>
<td>Ordinary</td>
<td>93.5m</td>
</tr>
<tr>
<td>Options</td>
<td>10.0m</td>
</tr>
<tr>
<td>Performance #1</td>
<td>51.5m</td>
</tr>
<tr>
<td>Performance #2</td>
<td>51.5m</td>
</tr>
<tr>
<td>Fully Diluted</td>
<td>206.5m</td>
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Performance Shares milestones

1. JORC Indicated Resource*; and
2. Mine approvals* for the production of 500,000 tonnes of potash per annum.

* Refer to Notice of Meeting for AGM of 5 October 2012 for further details.
8. Value Creation

Clear Pathway to Production

- Complete Spanish Transaction
- Release Maiden JORC Resource on both Spanish assets
- Complete Feasibility Studies
- Financial Close on reopening Navarra mine. (All approvals in place, infrastructure agreements completed and off take partners in place.)

Commence Production
## 9. Unique Potash Company

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