



ESTUDIO ECONÓMICO DE FINANCIACIÓN Y GARANTIA DE VIABILIDAD

P.I. PALERO N° 36.000

DESCRIPCIÓN BREVE:

Documentación donde se establece la solvencia financiera de Geoalcali, S.L.

AUTOR: Geoalcali

Revisión	Fecha	Motivo	Preparado	Revisado	Aprobado
0	21/06/17	Redacción	Gonzalo Mayoral	Francisco Menéndez	Francisco Menéndez
Revisión	Cambios Principales				Páginas

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1. INTRODUCCIÓN

El 12/05/17 con nº de entrada 2017/319157 se solicita ante el Servicio de Energía, Minas y Seguridad Industrial del Gobierno de Navarra, el Permiso de Investigación "PALERO ", de 42 Cuadriculas Mineras, sito en los Términos Municipales de Unciti, Monreal, Ibargoiti y Leoz en Navarra, para todas las sustancias de la Sección C, y por un periodo de tres años, en virtud de lo recogido en el Capítulo Tercero de la Ley 22/1973, de 21 de Julio, de Minas y en el artículo 66 del R.D. 2857/1978 de 25 de agosto, por el que se aprueba el Reglamento General para el Régimen de la Minería.

Se redacta el presente documento con el fin de cumplir lo estipulado en el art. 66, punto 1 apartado del Reglamento General para el Régimen de la Minería, que establece se debe presentar un estudio económico de financiación y garantías que se ofrecen sobre su viabilidad.

2. ANTECEDENTES

GEOALCALI, S.L. es una empresa española con domicilio fiscal en Avda. Carlos III, 13, 1º B, 31002 de Pamplona (Navarra) cuya matriz es la empresa Highfield Resources Ltd., holding de proyectos mineros.

GEOALCALI, S.L. desarrolla actualmente cinco proyectos de prospección de recursos de la Sección C, encaminados principalmente a la localización de recursos de sales sódicas y potásicas. Dichos proyectos se engloban en las siguientes áreas geográficas: Sierra de Perdón (Navarra), Izaga y Javier-Pintanos (Navarra y Aragón). Tiene concedidos 11 permisos de investigación y solicitados otros 5 permisos de investigación, incluido el permiso objeto del presente documento, denominado "PALERO", nº 36.000 y también solicitados 3 Concesiones de Explotación derivadas de permisos de investigación.

GEOALCALI, S.L. es una empresa minera y como tal, su objetivo último es la apertura de una o más explotaciones mineras para el aprovechamiento de los recursos que en el transcurso de las investigaciones se localicen y resulten técnica y económicamente viables.

3. ESTUDIO ECONÓMICO

En la memoria del Proyecto de Investigación y en la del Plan de Restauración se detallan los presupuestos necesarios para llevar a buen fin la investigación geológico-minera.

Sin entrar en detalles, que ya se comentan en sus respectivas memorias, el presupuesto total a financiar es:

Trabajos de Investigación año 1.....	54.800,00 €
Restauración año 1.....	0,00 €
<i>Subtotal año 1.....</i>	<i>54.800,00 €</i>
Trabajos de Investigación año 2.....	43.750,00 €
Restauración año 2.....	0,00 €
<i>Subtotal año 2.....</i>	<i>43.750,00 €</i>
Trabajos de Investigación año 3.....	161.750,00 €
Restauración año 3.....	8.200,00 €
<i>Subtotal año 3.....</i>	<i>169.950,00 €</i>
Total.....	268.500,00 €

La inversión total es de DOSCIENTOS SESENTA Y OCHO MIL QUINIENTOS EUROS.

4. CAPACIDAD FINANCIERA

GEOALCALI, S.L. es financiada por su matriz Highfield Resources Ltd.

Highfield Resources se financia actualmente de dos formas:

- Fondos propios de los accionistas.
- Venta de acciones en la Bolsa de Sidney.

Los fondos propios se incrementaron con los 32 millones de dólares (23,2 millones de euros aproximadamente al cambio del momento) de ampliación de capital comunicada oficialmente el 13 de junio de 2014 y del 11 de mayo de 2015 en el que se realiza una tercera ampliación de capital a 101 millones de dólares australianos (69,1 millones de euros aproximadamente).

Actualmente Highfield Resources Ltd dispone de 69,8 millones de dólares australianos (47,5 millones de euros aproximadamente al cambio del momento) tal y como se publica oficialmente el 24 de abril de 2017.

De la simple comparación entre el presupuesto del permiso de investigación y el capital disponible, se deduce fácilmente la capacidad financiera para llevar a cabo los trabajos previstos.

No obstante los fondos disponibles, Highfield Resources Ltd. siguen una política de captación de inversiones para cubrir las necesidades de financiación de los actuales permisos y otros que en su caso se solicitasen. Dicha política se basa principalmente en la búsqueda de socios particulares, por un lado, y de captación de fondos generales en los mercados internacionales.

5. GARANTIA DE VIABILIDAD

En un proyecto de investigación es difícil hablar de viabilidad de la investigación en sí, cuando uno de sus objetivos precisamente es establecer la viabilidad técnica y económica de los recursos investigados. No obstante tal y como se establece en la memoria del proyecto de investigación existen claros indicios de la existencia del recurso a estudiar. En caso de ser positiva la investigación, daría lugar a una petición de pase a explotación y dicha futura explotación recuperaría las inversiones realizadas en investigación geológico-minera.

Hemos de añadir que en el momento actual el coste de explotación de sales potásicas por diversas compañías en el mundo oscila entre 65 y 225 € por tonelada siendo las previsiones del precio de la potasa para los próximos años de 300 € por tonelada. Por ello resulta económicamente interesante realizar inversiones en investigación minera de estos recursos.

Por otro lado, no debemos olvidar que los inversores también exigen garantías de los proyectos en los que invierten su dinero, máxime en proyectos mineros que en numerosas ocasiones requieren de elevadas cantidades. Por ello GEOALCALI, S.L. se ha dotado de personal altamente cualificado que tiene dilatada experiencia

internacional en la investigación y exploración de, entre otros, sustancias de la Sección C en este tipo de yacimientos, equipándolo con las herramientas de análisis y modelización minera más potentes y actuales, y la colaboración y contratación de ingenierías, consultoras y contratistas de amplia experiencia en el sector y contrastada capacidad. Todo ello figura en los anexos al Proyecto de Investigación.

No obstante lo anterior y para mayor garantía de los inversores, las actividades, estudios y demás trabajos llevados a cabo por GEOALCALI, S.L. son supervisadas y auditadas por consultoras internacionales bajo estrictos protocolos para asegurar y garantizar la veracidad de la información obtenida y la viabilidad del proyecto. Esto supone una garantía extra frente a proyectos de otro tipo no sujetos a estas exigencias.

En particular GEOALCALI, S.L. está auditada por Agapito Associates Inc., compañía constituida en 1978 como una entidad de servicios a la investigación minera con base en Colorado (Estados Unidos), teniendo una rápida influencia en los mercados mundiales y en los servicios a la minería. Desde 1981, se ha convertido en un importante grupo líder mundial con oficinas en Denver y desarrollo de proyectos en Canadá, Chile, Perú, Brasil, África del Sur, etc., muchos de ellos de yacimientos salinos y potásicos similares al del caso presente.

Todo lo mencionado anteriormente muestra, sin lugar a dudas, que GEOALCALI, S.L. cuenta con recursos técnicos y económicos para llevar a cabo con garantías de éxito las labores de exploración del Permiso de Investigación cuyo otorgamiento ahora se solicita.

En Pamplona a 21 de junio de 2017

Fdo.: Francisco José Menéndez Simón

Ingeniero Tec. de Minas col. n° 1414

ANEXO 1
AMPLIACIÓN DE CAPITAL HIGHFIELD RESOURCES 13/06/14

ASX Release
13 June 2014

Highfield Resources Completes \$32m Institutional Equity Placement

Highlights

- Highfield Resources successfully completes institutional placement raising \$32m
- Cornerstone investor EMR Capital subscribes for 25m shares at 51c, continuing its strong support of the Company
- Institutional investors to be allotted 40m shares at 48c
- Funds to be used to fast track development activities at the Company's advanced Spanish Potash Projects
- Substantial institutional participation with Foster Stockbroking and Taylor Collison acting as Joint Lead Managers to the Placement alongside GMP Securities in UK

Spanish potash developer Highfield Resources (HFR:ASX) is pleased to announce that it has successfully completed an institutional equity placement ("Placement") of 65m new fully paid ordinary shares to raise \$32m.

The Company's cornerstone investor, EMR Capital, led the placement with a commitment for 25m shares at \$0.51/share (\$12.75m). An additional 40m shares are being placed to Australian and offshore institutional investors in two tranches at \$0.48/share (\$19.2m).

As a strong endorsement of the Company and its projects, EMR Capital has agreed to pay a premium to incoming institutional investors. EMR Capital will as a result increase in its undiluted interest from 29.5% to 32.4% or from 15.4% to 20% fully diluted.

The Placement will be completed in two tranches with 20,000,000 shares placed under the Company's capacity in accordance with ASX Listing Rules 7.1, and 45,000,000 shares (inclusive of EMR Capital's 25m) subject to shareholder approval at an Extraordinary General Meeting (EGM) at a date to be confirmed shortly.

Foster Stockbroking Pty Ltd and Taylor Collison Pty Ltd acted as Joint Lead Managers to the Placement alongside GMP Securities in the UK.

Funds will be used to fast track development activities at the Company's three 100% owned Spanish potash projects.

Managing Director Anthony Hall commented:

"We are delighted with the support received from both Australia and offshore institutions as a part of the capital raising. The extent of this support has demonstrated confidence in the robustness of our projects.

The successful capital raising will allow us to now develop the Spanish potash projects with the ultimate aim of commencing construction at Javier in 2015. We have three fantastic potash projects that we are looking forward to developing into mines over the coming years."

Highfield Resources Ltd.

ACN 153 918 257
ASX: HFR

Issued Capital

135.5 million shares
103 million performance shares
21 million options

Registered Office

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Head Office

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Directors

Derek Carter
Richard Crookes
Anthony Hall
Owen Hegarty
Pedro Rodriguez

Company Secretary

Donald Stephens

Use of Funds

Funds raised will be primarily allocated to progressing the Company's three 100% owned Spanish projects as follows:

Expenditure	Amount
Javier Project development activities	10.0m
Sierra del Perdón Project development activities	5.5m
Pintano Project development activities	4.5m
Javier long lead initial capital expenditure items	5.0m
Working capital	6.0m
Offer costs	1.0m
Total amount raised	32.0m

The Board views the substantial Australian institution participation in the Placement as a strong vote of confidence in the projects and their near term development and production prospects.

The Company remains committed to taking the projects into production and becoming a significant European producer of potash.

For more information:

Mr Anthony Hall
Managing Director
Ph: +34 617 872 100

Mr Simon Hinsley
Investor Relations
Ph: +61 401 809 653

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 has completed a PFS for its Javier Project and is currently working towards completing a DFS by the end of the 2014 Calendar Year.

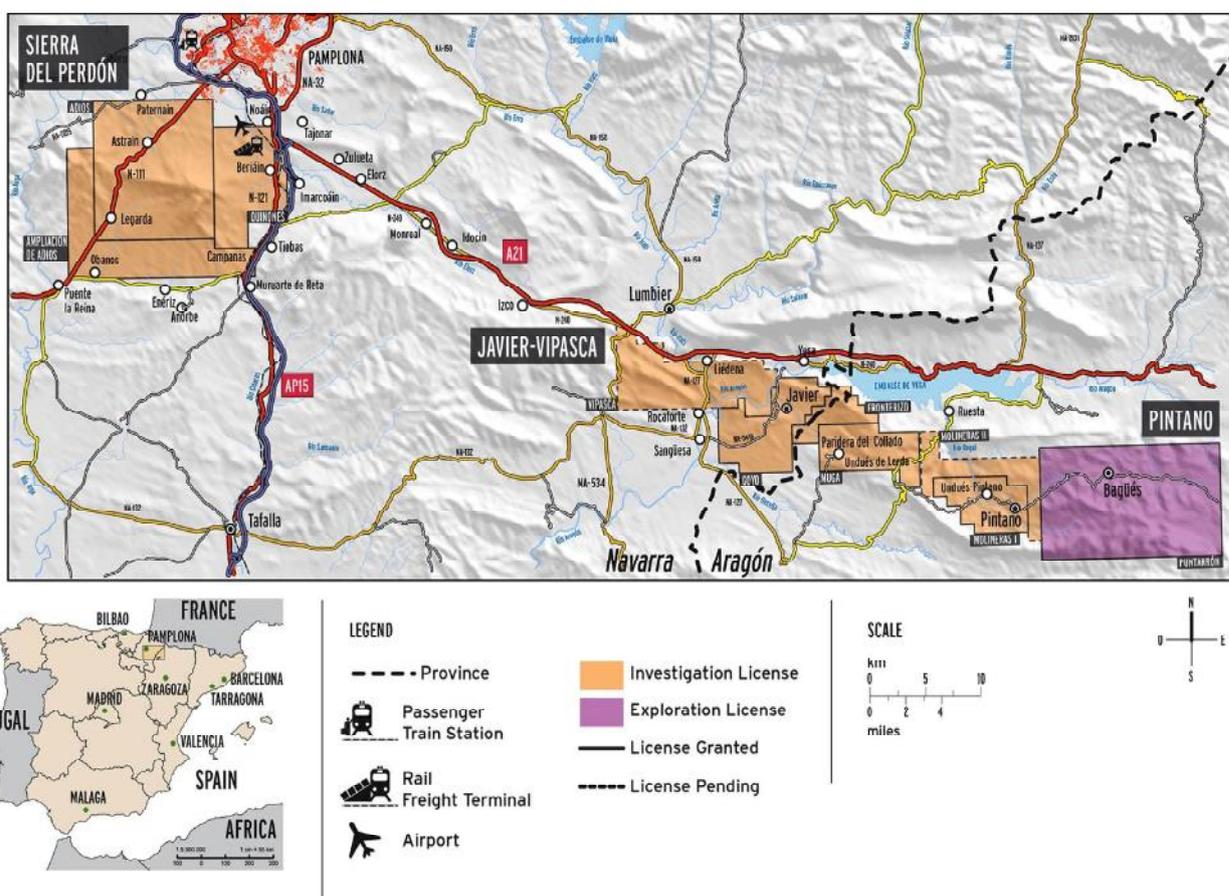


Figure 1: Location of Highfield's Javier-Vipasca, Pintano and Sierra del Perdón Projects in Northern Spain

ANEXO 2
AMPLIACIÓN DE CAPITAL HIGHFIELD RESOURCES 11/05/15

ASX Release
11 May 2015

HIGHFIELD RESOURCES RAISES \$101 MILLION TO DEVELOP MUGA POTASH MINE

Highlights:

- \$101 million raised in a share placement of 56.125m shares at an issue price of A\$1.80 per share
- Highfield's net cash balance now more than A\$120 million, providing a significant portion of the funding to develop the Muga Potash Mine
- Shareholder base strengthened by selected leading domestic and international institutional investors joining the register
- Successful capital raising demonstrates to Spanish authorities and other stakeholders that the Company is in a position to build the Muga Potash Mine

Spanish potash developer Highfield Resources Ltd (HFR: ASX) ("Highfield" or "the Company") is pleased to announce a placement ("Placement") to raise approximately A\$101 million via the issue of 56,125,000 fully paid ordinary shares at an issue price of A\$1.80 per share to institutional and sophisticated investors in Australia, Asia, Europe and North America, which will be completed on 15 May 2015.

The proceeds from the Placement will be used to substantially fund the likely equity component of the pre-production capital expenditure of the Company's flagship Muga Potash Project ("Muga" or "the Project"), located in northern Spain. The Company has completed a Definitive Feasibility Study for Muga which confirmed its outstanding potential as a long life, high margin operation with a very low pre-production capital expenditure requirement estimated at US\$256 million. The Company is proceeding with detailed design and engineering and other development and contracting work preparatory to full site construction start after final permitting expected later in 2015.

Indicative project financing term sheets received from leading European commercial banks have indicated a debt-to-equity ratio of 65% can be expected. The financing will include capital expenditure, a VAT facility, a working capital facility and potentially a cost overrun facility.

The Placement was cornerstoned by private equity fund manager EMR Capital (**EMR**) and was strongly supported by various Australian and international institutional investors.

Foster Stockbroking, Blue Ocean Equities and Taylor Collison acted as Joint Lead Managers to the Placement.

Highfield's Managing Director, Anthony Hall commented:

"This is a major milestone in the Company's history as it not only reflects the quality of the Muga Potash Project but also demonstrates to the referral authorities in Spain that we are in a position to build a mine. The placement delivers a major de-risking milestone of mine funding in combination with European commercial banks.

Following the placement, we are in an extremely strong financial position with more than A\$120m in cash and no debt.

Highfield Resources Ltd.

ACN 153 918 257
ASX: HFR

Issued Capital

308.125 million shares
51.5 million performance shares
43.0 million options

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We continue to have very positive discussions with leading European commercial banks – giving us confidence that proceeds from the placement, combined with other means of financing, will comfortably fund the development and construction of the Muga Mine.

We appreciate the ongoing support from EMR Capital and our joint lead managers, Foster Stockbroking, Blue Ocean Equities and Taylor Collison.”

The 56.125 million shares represents the Company’s full remaining placement capacity under Listing Rule 7.1 and 7.1A. 27.09m share were placed to institutions and sophisticated investors raising \$48.8m. 29.04m shares were placed to EMR raising \$52.3m.

For more information:

Company

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Head of Corporate Development
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Investor Relations Executives

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About Highfield Resources

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

Highfield's Muga, Vipasca, Pintano, Izaga and Sierra del Perdón potash projects are located in the Ebro potash producing basin in Northern Spain covering a project area of over 550km². The Sierra del Perdón project includes two former operating mines.

The Company has recently completed a definitive feasibility study for its flagship Muga Project and is working towards commencing construction in the fourth quarter of 2015.

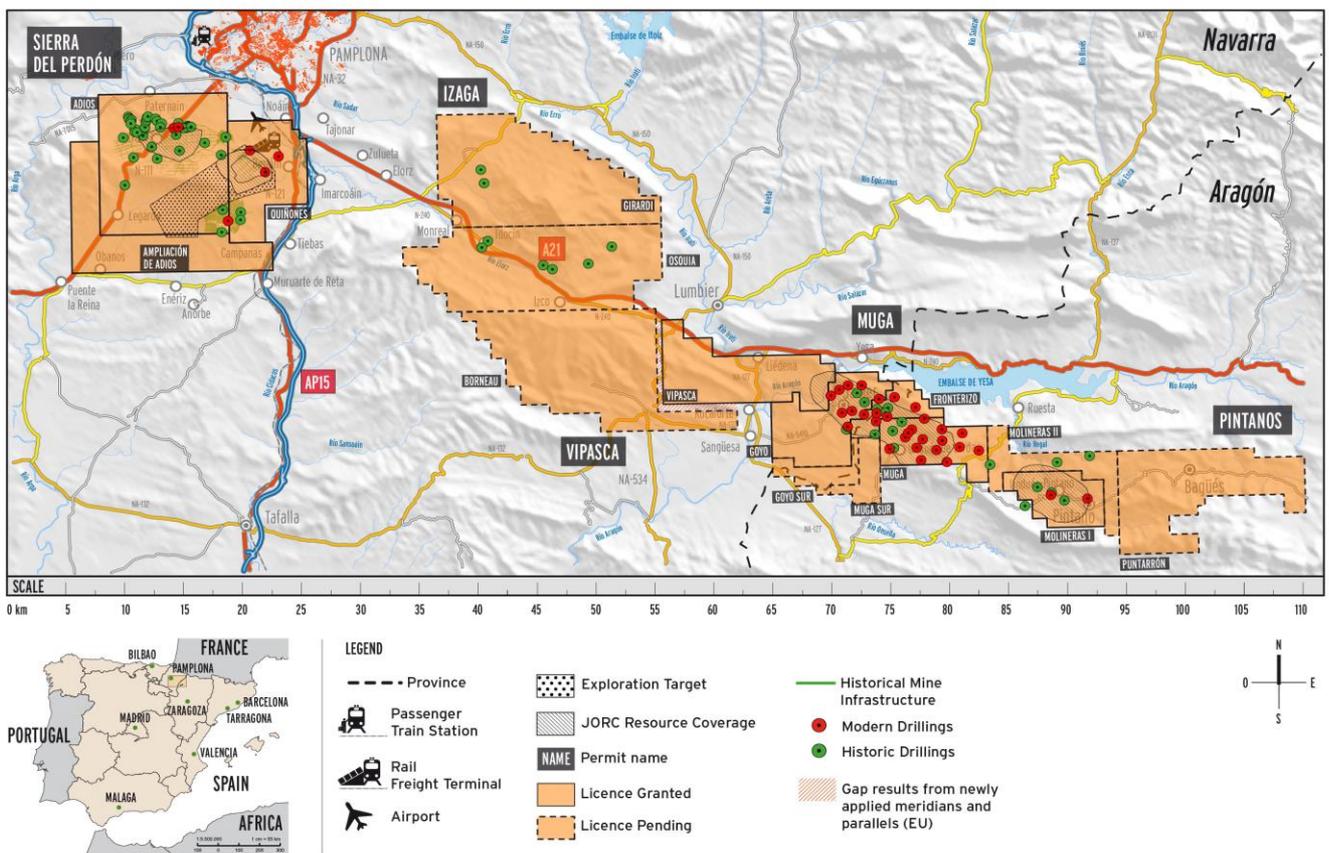


Figure 1: Location of Highfield's Muga, Vipasca, Pintano, Izaga and Sierra del Perdón Projects in Northern Spain

ANEXO 3
MARCH 2017 QUARTERLY ACTIVITIES REPORT 27/05/17

ASX Release
24 April 2017

MARCH 2017 QUARTERLY ACTIVITIES REPORT

Overview

- Highfield's updated environmental submission to Spanish environmental regulatory body, MAPAMA, progressing well with no significant areas of concern for the Company
- Positive engagement with relevant referral institutions and MAPAMA with respect to the environmental declaration for Muga Potash Mine continues
- MAPAMA chose to extend the response submission date to 2 May 2017
- Mining review complete and contractor tender preparation underway
- Detailed design and engineering of wet process plant 90% complete
- Work continues to develop and prepare internal systems and processes for construction
- Two new drill holes completed at Pintanos Project with broad mineralised zones encountered in P16-03
- One new drill hole commenced at Sierra del Perdón

Financial Status:

- Cash at bank as at 31 March 2017: A\$69.8m.

Plans for June Quarter 2017:

Muga Potash Mine:

- Submit formal responses to MAPAMA
- Continue to compile documents for the approval process and prepare for the commencement of construction once approvals are received

Other Projects:

- Drilling to test exploration targets at Sierra del Perdón Project
- Advancement of strategies for de-icing and vacuum salt sales

Highfield Resources Ltd.
ACN 153 918 257
ASX: HFR

Issued Capital
323.0 million shares
48.5 million options
50.0 Performance B Shares

Registered Office
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Company Secretary
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Muga Potash Project

Overview

Highfield Resources (ASX: HFR) (“Highfield” or “the Company”) is a Spanish potash developer. The Company’s flagship Muga Potash Project (“Muga” or “the Project”) is targeting the relatively shallow sylvinitic beds in the Muga Project area that cover about 80km² in the Provinces of Navarra and Aragon. Mineralisation commences at depths from surface of less than 200 metres and is ideal for a relatively low-cost conventional mine accessed via a dual decline, as demonstrated in the Company’s Muga Project Optimisation Study completed in November 2015 (refer to ASX announcement dated 17 November 2015).

Permitting Update

As reported, on 16 December 2016, the Ministry of Agriculture, Fishing, Food and Environment (MAPAMA), which is the body responsible for the award of the Declaración de Impacto Ambiental (DIA) for the Project, requested responses from Highfield on the matters raised by the various referral authorities within three months.

On 8 March 2017, the Company advised it had received correspondence from MAPAMA informing it that MAPAMA had decided, of its own accord, to provide an extension to the submission due date. This extension gives Highfield until 2 May 2017 to submit its responses, with the possibility of a further 45-day extension should it be required.

During the March 2017 quarter, Highfield continued its positive engagement with the referral authorities conducting numerous meetings to ensure feedback was being received and incorporated into the formal submission documents. Highfield reiterates that no new areas of concern have been identified and expects to submit its responses on or before 2 May 2017.

The Company remains confident of receiving its DIA and subsequent Mining Concession for the Muga Project in due course.

Muga Mine Development Progress

At quarter end, the detailed design and engineering of the wet process plant was approximately 90% complete. No further work will be undertaken in this area until closer to construction commencement. This work was completed by Hatch, a Canada-based multinational engineering firm which has extensive potash expertise.

Engineering of the dry area of the process plant (drying, glazing and compacting) is being currently being undertaken by Ludman Industries and their partner Millcreek. Basic engineering is nearing completion and is expected to be finalised in the June 2017 quarter.

During the period, the internationally recognised mining and metals consultancy, SRK Consulting (UK), commenced preparations for a tender process for the appointment of a contract miner for Muga. Works include a full review of mine design and planning, contract preparation, contractor pre-qualification and tender process preparation. This work is ongoing.

Acciona continued to work closely with the Company on further refining the scope of work, schedule and costs for Muga in preparation for start of construction and which will support the execution of fixed price lump sum construction contracts.

Project Financing

During the quarter, the Company continued its dialogue with its Project Finance syndicate with respect to the credit approved €185 million facility for Muga. It also engaged with other potential providers of capital.

Highfield remains confident of having full debt financing requirements in place on, or immediately after, receipt of approvals to support a final investment decision and the commencement of construction.

Pintanos Potash Project

Highfield's 100%-owned Pintanos Project (see Figure 1) abuts the Muga Project and covers an area of 60km². Depths from surface to mineralisation commence at around 500 metres. The Company is building on substantial historical potash exploration information which includes seven drill holes and ten seismic profiles completed in the late 1980s.

Exploration

During the March 2017 quarter, the Company completed two diamond core exploration drill holes at Pintanos. For a map of drill hole locations refer to **Figure 2**.

Drillhole **P16-03**, which targeted deeper mineralisation in the north-eastern extent of the ore body, encountered 19.2 metres of potash mineralisation with an average grade of 6.31% K₂O from 702 metres below surface. This included 2.4 metres with an average grade of 12.87% within the upper interval from 706 metres below surface. For more detailed information please refer to Appendix **Table 2**.

Drill hole **P13-06**, which was designed to test the western periphery of the Pintanos ore body did not intersect potash. The western edge of the Pintanos deposit is adjacent to Muga but separated from Muga by a faulted zone known as the Ruesta Faults. It is believed that the presence of the Ruesta Faults may have historically allowed water to flow through the potash mineralised areas, causing a wash-out or barren zone. This corresponds with similar drilling completed on the eastern edge of the Muga Potash deposit.

Sierra del Perdón

Highfield's 100%-owned Sierra del Perdón ("SdP") Project (see Figure 1) is located south east of Pamplona and covers approximately 145km². SdP is a brownfields project with a potash mine operating from the 1960s through until the late 1990s producing nearly 500,000 tonnes of K60 MOP per annum. The Company completed a Scoping Study on SdP (refer ASX announcement 20 April 2015) which confirmed the technical and economic viability of the project.

During the March 2017 quarter, the Company commenced a small exploration drilling program at Sierra del Perdón. Results from this program are expected in the June 2017 quarter.

Other Projects

The Company has two additional 100%-owned projects in the basin (see Figure 1) – Vipasca and Izaga. Limited work was carried out on these projects during the Quarter.

Managing Director – Amendment to Engagement Arrangements

The Board has determined that Group Managing Director, Mr Peter Albert, be provided with a €10,000 per month in-country residency allowance. The allowance is in line with that provided to his predecessor and will be effective from 1 September 2016, Mr Albert's commencement date. The allowance is payable while Mr Albert and his family reside in Pamplona, Spain and will enable the Company's leadership of the Muga Project to be based fulltime in Pamplona and be part of the local business community.

No changes have been made to Mr Albert's base salary or to his short term or long term variable performance based incentives.

Mr Albert is responsible for leading the Company through the approvals process and into the construction and operational phases for its flagship Muga Potash Mine.

Corporate

Cash Position

As at 31 March 2017, the Company had A\$69.8 million in cash on its balance sheet.

For more information:

Highfield Resources

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Managing Director
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Head of Corporate Development
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About Highfield Resources

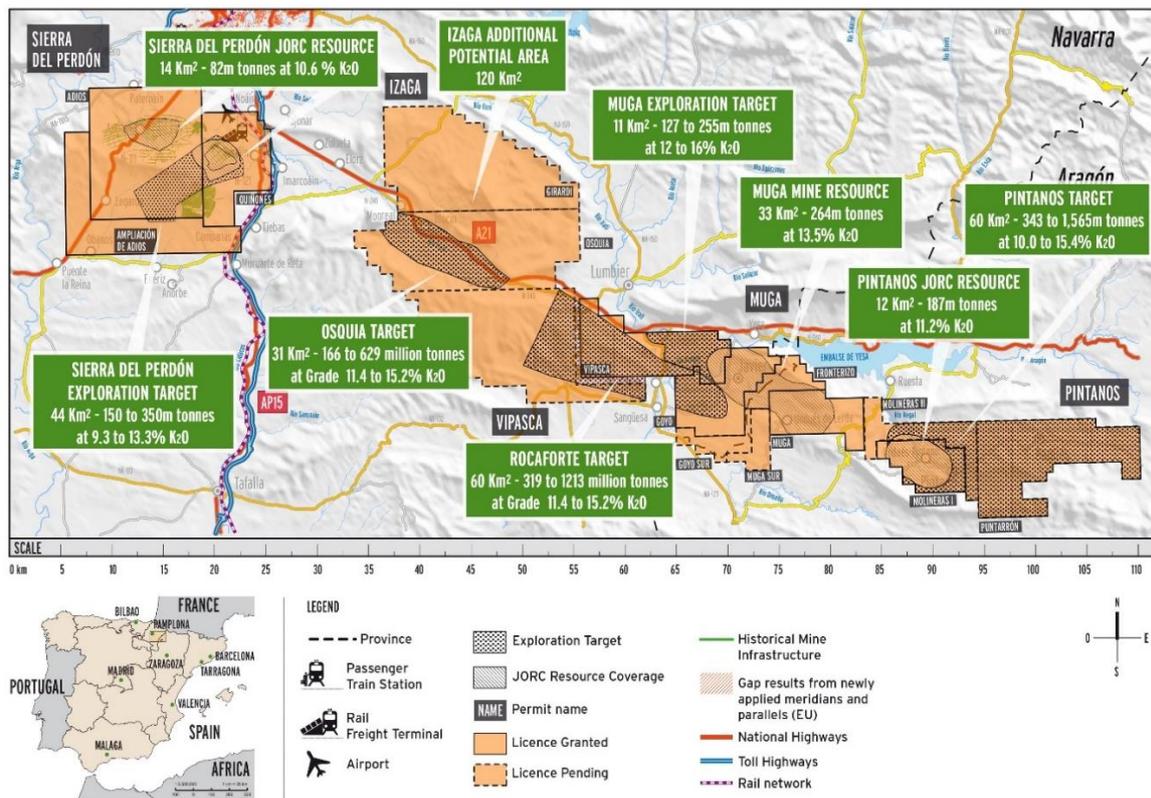
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Highfield's Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón potash projects are located in the Ebro potash producing basin in Northern Spain, covering a project area of more than 550km². The Sierra del Perdón project includes two former operating potash mines.

The Company completed a Definitive Feasibility Study for its flagship Muga Project in March 2015, which was optimised in November 2015 to enhance operational efficiencies, sales and marketing activities and the life of mine. Highfield is awaiting a positive environmental declaration which will enable it to commence construction of the Mine.

In addition to the existing Muga Project, Highfield also has significant Exploration Targets for an extension to Muga, as well as for the Vipasca and Pintanos Potash Projects.

Figure 1: Location of Highfield's Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón Projects in Northern Spain*



**The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource*

Competent Persons Statement

This ASX release was prepared by Mr. Peter Albert, Managing Director of Highfield Resources. The information in this release that relates to Ore Reserves, Mineral Resources, Exploration Results and Exploration Targets is based on information prepared by Mr José Antonio Zuazo Osinaga, Technical Director of CRN, S.A.; Mr Jesús Fernández Carrasco, Managing Director of CRN, S.A; and Mr Manuel Jesús Gonzalez Roldan, Geologist of CRN, S.A. Mr José Antonio Zuazo Osinaga and Mr Jesús Fernández Carrasco are licensed professional geologists in Spain, and are registered members of the European Federation of Geologists, and accredited organisation to which Competent Persons (CP) under JORC 2012 Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, Ore Reserves or Exploration Targets through the ASX. Mr José Antonio Zuazo Osinaga has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as CP as defined in the 2012 edition of the JORC Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Table 1: Summary of Highfield's Mineral Interests as at 31 March 2017

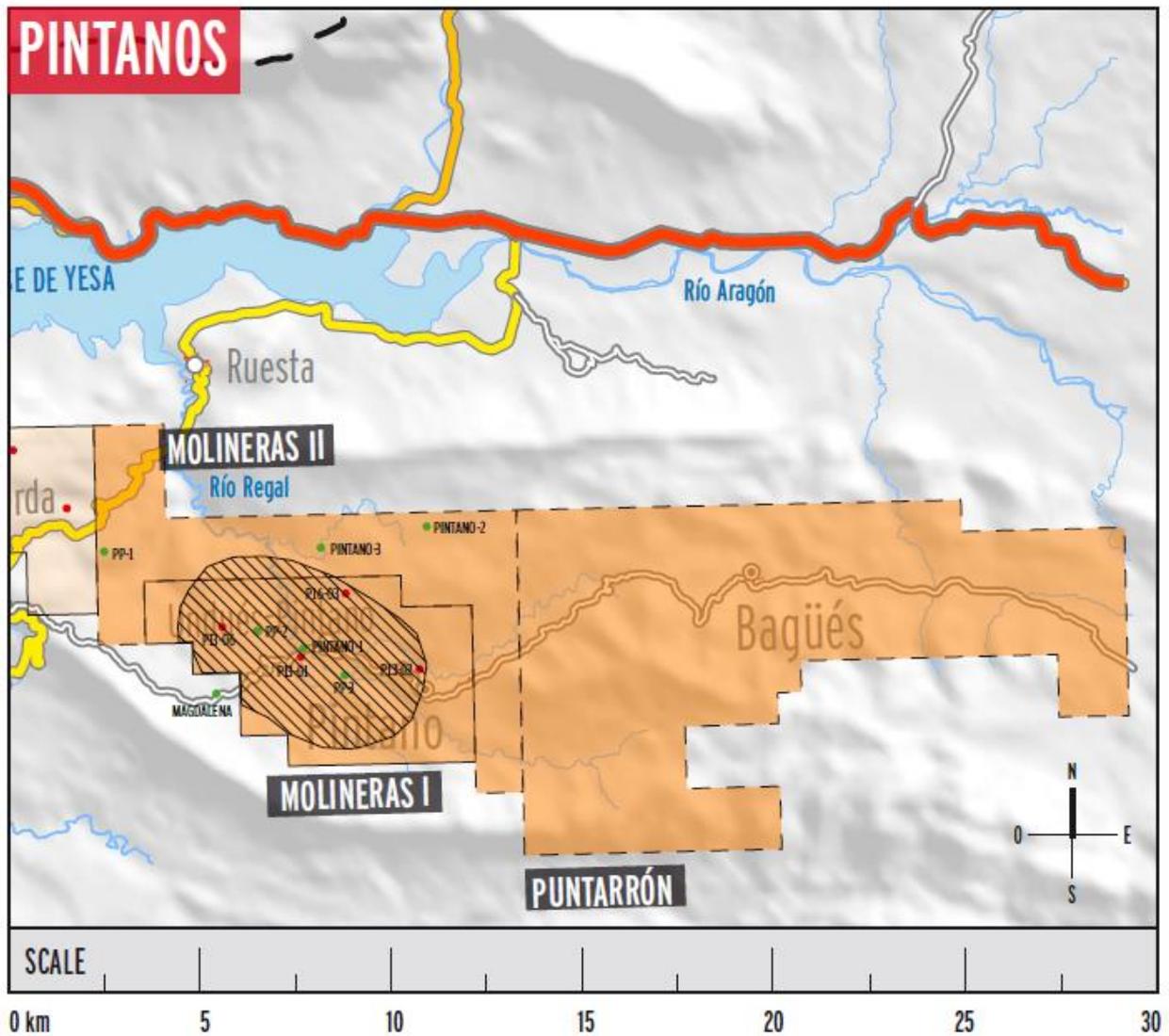
Project	Region	Permit Name	Permit Type	Applied	Granted	Ref #	Area Km ²	Holder	Structure
Sierra del Perdón	Navarra	Quiñones	Investigation	19/07/2011	7/08/2012	35760	32.48	Geoalcali SL	100%
Sierra del Perdón	Navarra	Adiós	Investigation	19/07/2011	7/08/2012	35770	75.60	Geoalcali SL	100%
Sierra del Perdón	Navarra	Ampliación de Adiós	Investigation	26/10/2012	14/02/2014	35880	40.90	Geoalcali SL	100%
							148.98		
Muga	Navarra	Goyo	Investigation	19/07/2011	24/12/2012	35780	27.72	Geoalcali SL	100%
Muga	Navarra	Goyo Sur	Investigation	25/07/2014	Pending	35920	8.96	Geoalcali SL	100%
Muga	Aragón	Fronterizo	Investigation	21/06/2012	5/02/2014	Z-3502/N-3585	9.80	Geoalcali SL	100%
Muga	Aragón	Muga	Investigation	29/05/2013	7/04/2014	3500	20.40	Geoalcali SL	100%
Muga	Aragón	Muga Sur	Investigation	25/09/2014	Pending	3524	7.28	Geoalcali SL	100%
							74.16		
Vipasca (Muga)*	Navarra	Vipasca	Investigation	6/11/2013	11/12/2014	35900	38.92	Geoalcali SL	100%
Vipasca (Izaga)*	Navarra	Osquia	Investigation	28/04/2015	12/01/2017	35970	57.42	Geoalcali SL	100%
Vipasca	Navarra	Borneau	Investigation	28/04/2015	12/01/2017	35960	80.33	Geoalcali SL	100%
							176.67		
Pintanos	Aragón	Molineras 10	Investigation	20/11/2012	6/03/2014	3495/10	18.20	Geoalcali SL	100%
Pintanos	Aragón	Molineras 20	Investigation	19/02/2013	Pending	3495/20	16.80	Geoalcali SL	100%
Pintanos	Aragón	Puntarrón	Investigation	8/05/2014	Pending	3509	30.24	Geoalcali SL	100%
							65.24		
Izaga	Navarra	Girardi	Investigation	28/04/2015	26/01/2017	35950	38.57	Geoalcali SL	100%
							38.57		
*Permit includes areas in two Projects						Total	503.62		

Location: All permits are located in Spain.

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

Changes: Permit applications for Permits *Osquia*, *Borneau* and *Girardi* were approved during the period.

Figure 2: Pintanos Exploration Drilling



LEGEND

- | | | |
|-------------------------|-----------------|----------------------|
| NAME Permit name | Licence Granted | Modern Drill Holes |
| JORC Resource Coverage | Licence Pending | Historic Drill Holes |
| | | National Highways |

**Table 2: Summary of Drillhole P16-03
DDH P16-03 POTASH GRADES (ICP analysis)**

DDH P16-03 POTASH GRADES (ICP analysis)												
				K2O(%)	MgO(%)	Na2O(%)	Cl(%)	SO4(%)	CaO(%)	Water Insolubles		
Potash Stretch	<u>Complete Potash Stretch</u>			Average	6.31	0.76	24.40	37.00	3.38	2.22	35.67	
	From	702.8	to	722	max. Value	25.18	8.41	42.60	55.40	5.42	3.51	70.72
	Thickness:	19.2	m		min. Value	0.33	0.02	11.98	15.85	1.11	0.99	5.86
	<u>Selected Upper Interval</u>			Average	12.87	5.08	18.67	44.03	3.66	2.27	19.23	
	From	706.7	to	709.1	max. Value	16.08	8.41	25.95	43.20	4.79	3.08	24.26
	Thickness:	2.4	m		min. Value	10.83	0.30	15.50	40.60	2.64	1.64	14.41
	<u>Selected Intermediate Interval</u>			Average	9.73	0.07	28.02	41.90	3.62	2.32	26.16	
	From	710.9	to	713.6	max. Value	25.18	0.08	42.60	53.60	5.06	3.25	42.38
	Thickness:	2.7	m		min. Value	4.99	0.05	19.21	31.80	2.70	1.68	5.86
	<u>Lower Interval</u>			Average	8.48	0.07	28.49	42.86	3.86	2.48	26.53	
From	717.8	to	722	max. Value	17.83	0.15	37.88	55.40	5.42	3.29	49.56	
Thickness:	4.2	m		min. Value	2.22	0.02	19.41	29.20	1.53	1.13	8.11	
<u>Selected Lower Interval</u>			Average	10.15	0.06	26.13	40.93	3.62	2.43	29.01		
From	717.8	to	719.6	max. Value	17.83	0.08	32.08	55.40	5.12	3.29	44.10	
Thickness:	1.8	m		min. Value	4.22	0.02	19.41	33.50	1.53	1.13	13.64	

Notes:

1. Chemical analysis conducted by ALS Global (Galway, Ireland)
2. ICP (inductively coupled plasma) quantitative method
3. Intervals are cored intervals (versus true thickness intervals). Conversion to true thickness pending updated structural model
4. Composite grades calculated as length-weighted averages

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> Exploration Diamond Core (DD) drilling was completed. Core was recovered and sampled on 0.3 metre downhole intervals. Each segment of core was logged, photographed and, following being marked and number, each sample was halved, with a quarter core sent to be assayed. Drilling was completed using a saturated brine to limit core loss as a result of water based fluid contact with the salt horizons.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for 	<ul style="list-style-type: none"> Drill hole locations were surveyed using GPS, and by a professional surveyor prior to commencement and post the completion of drilling. Certified Reference Materials (CRM) are inserted on a ratio of 1:20 and blanks are inserted on a ratio of 1:50 into sample streams to assess the accuracy, precision and methodology of the external laboratories used. In addition, duplicate samples were inserted on a ratio of 1:20 for Quality Assurance purposes. ALS laboratories undertook their own duplicate, CRM and blank sample insertion. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratories providing acceptable levels of precision and accuracy. Core is sawed using hydraulic oil as the lubricating agent to minimise core loss. Half core is retained and shrink wrapped to ensure it is well preserved should further assaying be required. Quarter core for assaying was bagged and secured with plastic ties for shipping to external laboratory for assaying. Samples were crushed, ground and split in Seville, Spain prior to being shipped to ALS Labs in Galway, Ireland. Cored samples were assayed using inductively coupled plasma-optical emission spectrometry and X-ray fluorescence (XRF).

Criteria	JORC Code explanation	Commentary
	<p>fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> Drilling was completed by DD method.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core was boxed at the rig and transported to the core shed at Beriain for logging, photographing, halving and shrink wrapping. Sample quality and recovery were considered to be suitable. The drilling was completed using HQ core to maximise core recovery. Drilling through the evaporite horizon was conducted with a saturated brine drilling mud, which aims to minimise dissolution due to the use of water based drilling fluids. The core recovery is of an acceptable level and no bias is expected from any sample losses.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Core has been logged for lithology, alteration, mineral assemblage and structure. Geotechnical parameters logged: length recovery, RQD, bed degree, fault/fracture (length, fill and degree) Logging is qualitative in nature. All core was photographed and remaining half core shrink wrapped for preservation. Core was logged and photographed at 0.3 metre intervals.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Half core was shrink wrapped and retained in storage. Quarter core was sent for assaying. Quarter core was retained for metallurgical testing purposes. Not applicable. Samples were quarter core taken at 0.3 metre intervals downhole. All samples were sent to an external laboratory for preparation and assaying. Sawing of core was conducted using oil based lubricant to minimise dissolution. Duplicate samples were taken on a 1:20 basis and submitted to the laboratory with the other samples. These showed acceptable levels of variation and repeatability. Sample sizes are appropriate for the mineralisation type.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<ul style="list-style-type: none"> Assaying was conducted using ICP-OES and XRF, which are modern industry standards These are considered to be total mineral measurements.
	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> No handheld devices were used to estimate the grade or mineralogical composition of the assays for the purposes of this release. Parameters in chemical analysis: K₂O, MgO, Na₂O, Cl, SO₄, CaO, water insolubles
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Both Highfield and ALS maintained independent QA/QC programs including the insertion of Certified Reference Material (CRM), duplicates and blanks. In addition, check samples were submitted to an “umpire” laboratory – Saskatoon Research Centre (SRC) Duplicates showed acceptable levels of internal agreement. Accuracy and precision of the CRM, duplicate and blanks are within acceptable levels.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> DD core limits potential for in hole contamination. ALS assayed all samples using both the ICP-OES methodology and XRF. These methods showed acceptable levels of agreement to support the precision of the testing program.
	<ul style="list-style-type: none"> The use of twinned holes. 	<ul style="list-style-type: none"> No holes were required to be twinned in this program.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Highfield receives all assay data directly from the laboratories in electronic format (xls or csv). This is transferred to a master database and is monitored for QA/QC purposes.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> All new locations were surveyed before and after drilling by a licenced surveyor.
	<ul style="list-style-type: none"> Specification of the grid system used. 	<ul style="list-style-type: none"> Grid systems used were European Datum 50, updated to European Terrestrial Reference System 1989 (ETRS89) for compatibility with modern survey information.
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All new locations were surveyed before and after drilling by a licenced surveyor. A specific report is prepared for each drillhole
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	<ul style="list-style-type: none"> The results reported are within 500 metres of other drilling and are considered to be “infill” in nature.
	<ul style="list-style-type: none"> Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. 	<ul style="list-style-type: none"> Not applicable.
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Samples have been composited over the thickness of the identified potash bed for reporting purposes.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> The general strike of geology in the basin is NW-SE orientation. Drilling was conducted vertically, logging noted the orientation of the structure to ensure adjustments were made to determine “true thickness”.
	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Drilling was vertical. This was taken into account to calculate the “true thicknesses” of the mineralisation intersected.
Sample	<ul style="list-style-type: none"> The measures taken to ensure sample 	<ul style="list-style-type: none"> Chain of custody is managed by Highfield. Core is boxed at the rig and transported to

Criteria	JORC Code explanation	Commentary
security	<i>security.</i>	a secure facility for logging, photographing and quartering. Following this, samples for assay were bagged and secured with zip locks to be shipped to ALS laboratories.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Audits and reviews are ongoing. These consistently show the methods applied by the Company are acceptable.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<ul style="list-style-type: none"> The Pintanos tenements was issued as an Investigation Permit (PI) by the Spanish authorities under reference number 3495/10 on 6/03/2014. Molineras 20 and Puntarrón are pending. Highfield owns the rights 100%. There are no JVs, partnerships, royalties or other relating to the Investigation Permit.
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> Highfield has completed a legal review which concluded its tenure to be secure.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historical exploration was completed by E.N. Adaro in 1989-1990, however, potash was first discovered as early as 1927. Historical production occurred at the Potasas de Subiza and Potasas de Navarra mines, located close to the Sierra del Perdón Project.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit is an evaporite or chemical sedimentary type deposit. Its genesis is that of a restricted marine sedimentary basin influenced by eustacy, sea floor subsidence and/or uplift of sedimentary units. The potash deposits are Upper Eocene, with evaporites accumulating in an elongated basin, trending NW-SE, at the southern foreland of the Pyrenean mountain range. The deposit includes thick zones of alternating claystone (marls) and evaporite with well-formed footwall and hanging wall salts. Potash mineralisation is predominantly in the form of sylvinite (KCl + NaCl) with some minority carnallite (KCL.MgCl2.6H2O). It is typically founded interbedded with halite (NaCl) and insoluble materials in the form of lutite.
Drill hole information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level—elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Assay information is shown in the body of this release in Table 2. P16-03: X:[660.692,021] Y:[4.712.177,971], RL:[703,365] P13-06: X:[658.486,861] Y:[4.711.812,168], RL:[761,412] Holes are drilled at vertically
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, 	<ul style="list-style-type: none"> Composites by weighted average were made from the geochemical data to optimise grade and thickness of the mineralised seams in both the new and historical data.

Criteria	JORC Code explanation	Commentary
	<p>maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut off grades are usually Material and should be stated.</p> <ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All grades are presented in percentage of K₂O over a selected interval, which is industry standard.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All drill holes are drilled vertically as this is the best orientation to intersect the expected mineralisation in a perpendicular manner. Data on bed angle and orientation were incorporated into geological database to calculate the true thickness of the beds intersected.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Appropriate maps and diagrams are included in the body of this release.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All results are included in the body of this release.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples—size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Not applicable.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Ongoing exploration work is intended for the interpreted extensional areas of the deposit, eastern extent of the Pintanos Project however this is currently unplanned

Section 3: Estimation and Reporting of Mineral Resources

No new information regarding the estimation and reporting of mineral resources is presented.

Section 4: Estimation and Reporting of Ore Reserves

No mineral reserves are reported.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

HIGHFIELD RESOURCES LIMITED

ABN

51 153 918 257

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(4,430)	(18,013)
(b) development	-	-
(c) production	-	-
(d) staff costs	(369)	(675)
(e) administration and corporate costs	(755)	(3,138)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	203
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(5,553)	(21,623)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(84)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(84)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	600	3,435
3.4	Transaction costs related to issues of shares, convertible notes or options	(4)	(26)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	596	3,409

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	77,838	93,932
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,553)	(21,623)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(84)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	596	3,409
4.5	Effect of movement in exchange rates on cash held	(3,092)	(5,845)
4.6	Cash and cash equivalents at end of period	69,789	69,789

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	69,789	77,838
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	69,789	77,838

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	\$161
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments for Directors consulting fees and Directors salaries - \$161k

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	5,958
9.2 Development	-
9.3 Production	-
9.4 Staff costs	377
9.5 Administration and corporate costs	456
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	6,791

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	<ul style="list-style-type: none"> - 35970 Osquia (57.4km²) - 35960 Borneau (80.3Km²) - 35950 Girardi (38.57km²) 	Investigation permits are held by Geoalcali SL a 100% owned Spanish subsidiary of Highfield Resources Limited.	<ul style="list-style-type: none"> - nil - nil - nil 	<ul style="list-style-type: none"> - 100% - 100% - 100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


(CFO)

Date: 24 April 2017

Print name: Mike Norris

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.