

ASX Release
21st March 2018

UPDATE ON MUGA MINE ENVIRONMENTAL PERMITTING PROCESS

The Company is pleased to confirm that on 16th March the Ministry of Agriculture, Fishing, Food and Environment ("MAPAMA"), in Madrid advised that it has completed its review of the reports received from all of the referral authorities. MAPAMA has requested that the Company provide further clarification on three items within three months. These items are seismicity and any potential impacts on local infrastructure; potential subsidence and any potential impact on local infrastructure; and, also the life-of-mine handling and management of the salt by-product produced by the Muga potash mine.

With respect to seismicity and subsidence, the Company has already completed much of this work in its prior submissions and will complete the additional work requested. With respect to the salt by-product, MAPAMA requires further confirmation and commitment that the Company will appropriately manage the salt by-product so as to not leave any long term environmental issues post mine closure. The Company is confident that it will provide an appropriate response to achieve this requirement.

The Company will respond to MAPAMA within the requisite time. MAPAMA has confirmed that this is the last step in the process of the environmental application for the Muga Mine development.

For more information:

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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, 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 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 permit, the award of the mining concession and other permits 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 SdP, Vipasca and Pintanos Potash Projects.

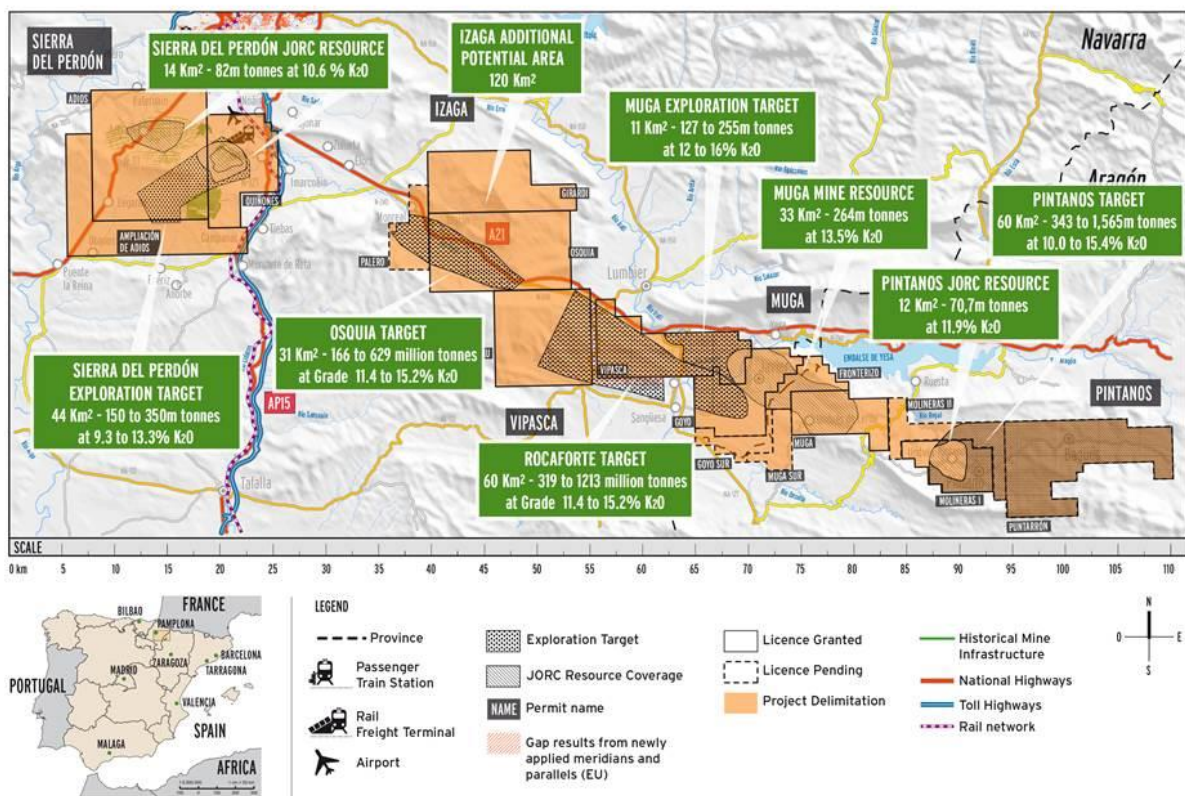


Figure 1: Location of Highfield's Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón Projects in Northern Spain *

*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

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