

ASX Release
29 April 2020

HIGHFIELD RESOURCES SIGNS 500,000TPA SALT OFFTAKE MOU FROM THE MUGA POTASH MINE

Highlights

- **Non-binding Memorandum of Understanding (“MOU”) signed with Pardira Premium S.L. (trading as “Maxisalt”)**
- **Agreement for the annual sale of 400,000 tonnes of vacuum salt and 100,000 tonnes of de-icing salt – by-products from the Muga Potash Mine**
- **Maxisalt is a Spanish-based salt distributor with global networks and a strong local footprint**

As part of the Company’s sales and marketing strategy for the production of muriate of potash and salt from its Muga Potash Mine (“Muga” or “the Mine”), Highfield Resources (ASX: HFR) (“Highfield” or “the Company”) is pleased to announce the signing of a non-binding MOU for the annual sale of salt between Maxisalt-Pardira Premium S.L. (“Maxisalt”) and Geocalci S.L.U. (“Geocalci”), Highfield’s wholly owned Spanish subsidiary.

Under the MOU Highfield would provide Maxisalt up to a total of 500,000 metric tonnes per annum of salt comprising 400,000 tonnes of vacuum salt, a higher value product, and 100,000 tonnes of de-icing salt.

Salt is produced as a by-product of the processing of potash. The sale of salt contributes economically, providing a by-product credit that benefits the Muga Project’s financials. In addition salt sales will help maintain the low environmental footprint of the Muga mine and will assist in ensuring full compliance with environmental conditions, including the removal of all salt from surface as part of rehabilitation of the mine site post potash production.

Maxisalt is an international salt distribution company located in Barcelona and a global distributor of rock salt, solar salt and vacuum salt, which is used for water treatment, industrial applications and animal feed. Maxisalt has developed a diversified network of international clients, with a particular focus on markets located in Spain and France.

This partnership will provide Highfield with significant insights into the local and international salt markets as well as invaluable access to these markets during the first years of production.

Highfield continues to engage in ongoing offtake discussions with other potential wholesale customers, distributors and global traders for the entire production capacity of muriate of potash and salt from the Muga Mine.

Highfield Resources Limited
ACN 153 918 257
ASX: HFR

Issued Capital
329.5 million shares
24.66 million options

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

T. +61 8 8133 5000
F. +61 8 8431 3502

Head Office
Avenida Carlos III, 13 -
1ºB, 31002
Pamplona,
Spain

T. +34 948 050 577
F. +34 948 050 578

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Highfield Resources Chairman and Acting CEO, Richard Crookes, said: “The signing of a salt offtake MOU with Maxisalt is another very important step in Highfield’s commercialisation strategy. Maxisalt has developed a key global network and the location of our Muga mine is perfectly positioned to service Maxisalt.

In addition to this MOU being economically significant, it also reinforces our strong ESG focus of maintaining a low environmental footprint at Muga. Responsible removal of salt is a key element in rehabilitating the Muga Mine site after production.”

Muga Project Overview

Highfield Resources (ASX: HFR) is a Spanish potash developer. The Company’s flagship Muga Project is targeting the relatively shallow sylvinitic beds in the Muga Project area that cover about 60km² in the Provinces of Navarra and Aragón. Mining is planned to commence at a depth of approximately 350 metres from surface and is therefore ideal for a relatively low-cost conventional mine.

This announcement has been authorised for release by the Directors of Highfield Resources Limited

For more information:

Highfield Resources Limited

Richard Crookes
Chairman and Acting CEO
Ph: +34 636 758 843

Olivier Vadillo
Investor Relations
Ph: +34 609 811 257

Australia based queries:
Michael Weir
Citadel Magnus – Director, Partner
Ph: +61 (0) 402 347 032

UK based queries:
Bobby Morse
Buchanan – Senior Partner
Ph: +44 (0) 7802 875227

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About Highfield Resources

Highfield Resources is an ASX listed potash company with three 100% owned tenement areas located in Spain.

Highfield’s Muga-Vipasca, Pintanos, and Sierra del Perdón potash tenement areas are located in the Ebro potash producing basin in Northern Spain, covering an area of around 277km².

Following the granting of a positive environmental permit in mid-2019 Highfield submitted the documentation required for the Mining Concession in mid-March 2020 and is continuing to work on the relevant construction permits necessary to take the Muga Project into the construction phase.

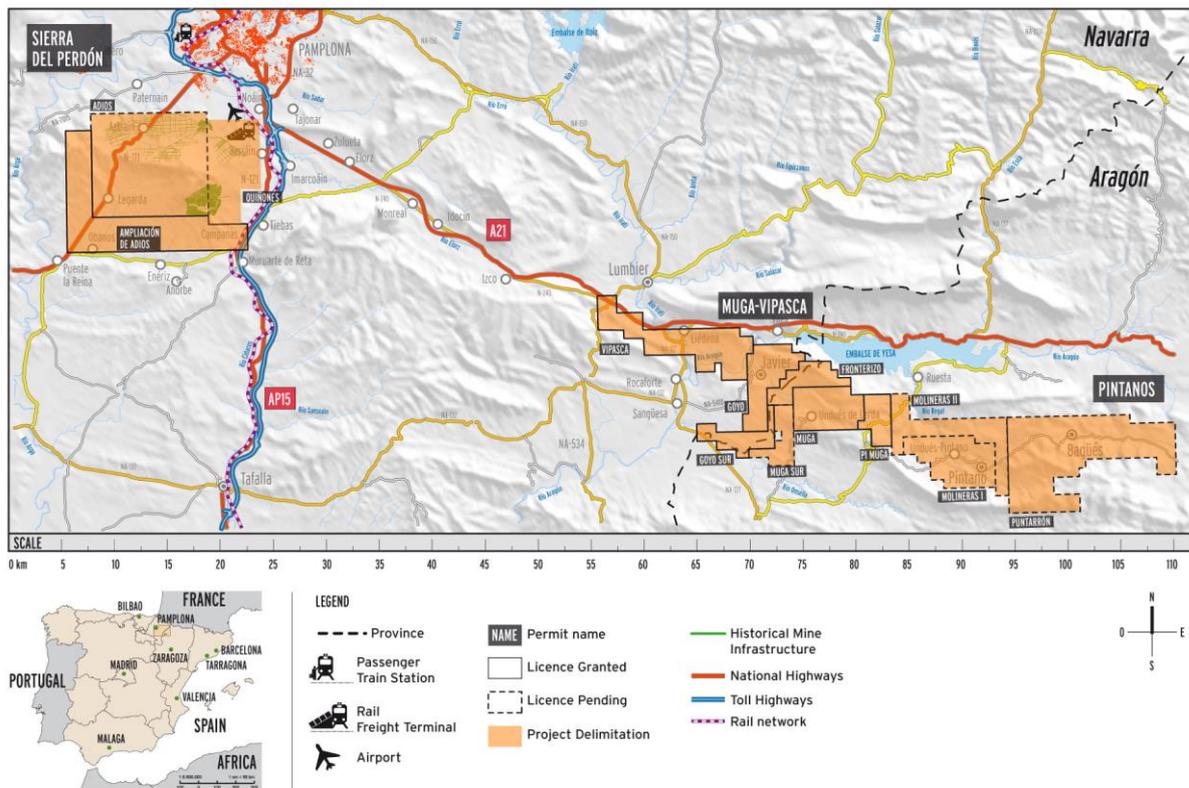


Figure 1: Location of Highfield’s Muga-Vipasca, Pintanos and Sierra del Perdón Tenement Areas in Northern Spain

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