



ASX: HFR

27 June 2023

Highfield Resources secures all land for the Muga Project

HIGHLIGHTS

- Highfield Resources Limited (“Highfield” or the “Company”) has successfully secured access to all land necessary to build the Muga Potash Mine (“Muga” or the “Mine”).
- In addition to the land the Company had previously contracted privately, Highfield has now secured all remaining land through the standard Navarran expropriation process for projects of public interest.
- A payment of a €1.1 million deposit was the final requirement to allow for immediate access to and use of the lands included in the expropriation process.

Highfield is pleased to announce that it has concluded the process to secure access to all the land necessary to build the Muga Mine. The Company had previously either purchased land or obtained commitments to buy it from the landowners. The remaining areas, where no private agreement had been previously reached, were subject to the normal legal expropriation process in Navarra for projects of public interest.

To ensure access to the remaining land required for the construction of Muga (including the above ground facilities, power lines and road access) the Company initiated an extensive expropriation process on 27 September 2021 with the Government of Navarra. In December 2022, the Government of Navarra approved and declared the urgent need to occupy these remaining areas by Highfield.

Following this declaration, the Company, together with the Government of Navarra, met with those affected by the expropriation process to specify the areas affected and to try to agree a price for them. This process ran successfully, and the Company reached an agreement with most landowners. For a small minority of landowners where no price agreement was reached, an official process will be run by the Government to determine a fair market price. This process will in no way interfere with Highfield’s right to access and use the areas immediately.

To allow the Company to access the land, the final requirement was to make a deposit payment of €1.1 million as an advance payment of the final purchase price. The deposit amount is as per the requirement set out in the Government’s guidelines.

Highfield has now made the deposit, and the Company has been officially notified that it has fulfilled all the requirements under the Navarran Compulsory Expropriation Law for immediate access and use of the lands.

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Highfield
Resources

ASX ANNOUNCEMENT



Ignacio Salazar, MD and CEO, commented: *"Ensuring access to all the land is a key necessary step to build the Muga mine. We would like to take this opportunity to thank the Government for supporting a swift resolution and the Muga community and HFR's team for achieving a successful outcome. Step by step, we are getting closer to building the Muga project."*

-ENDS-

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

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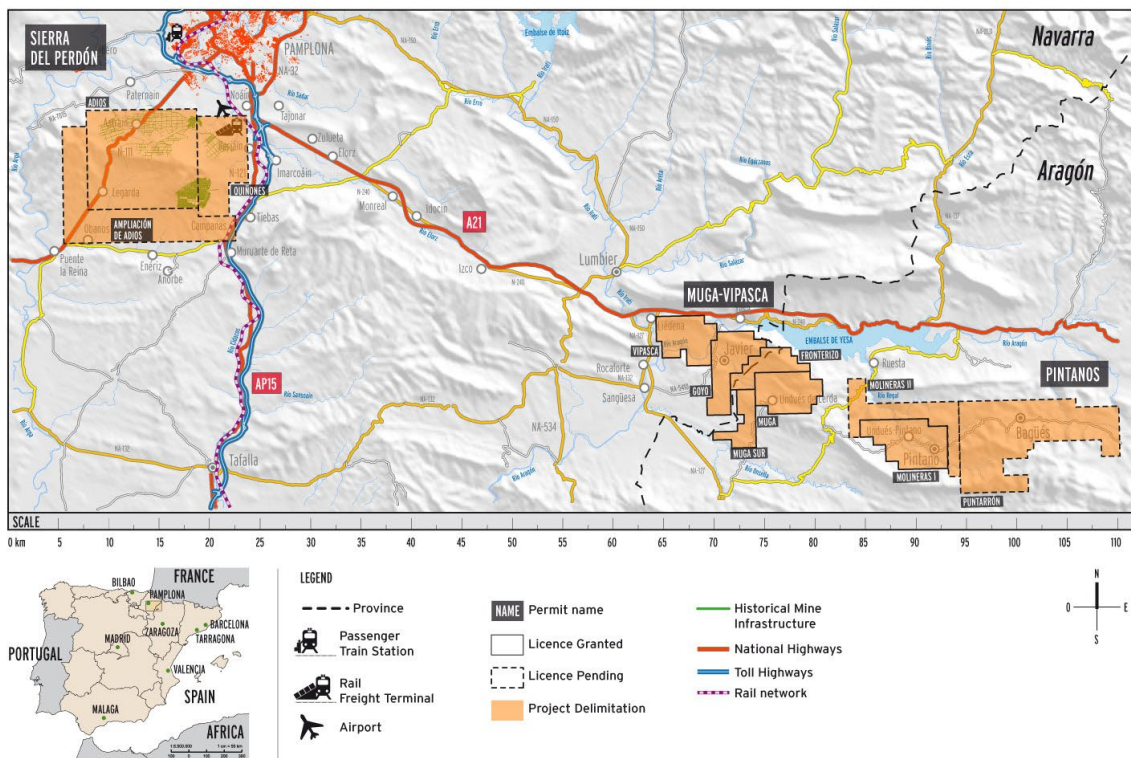
About Highfield Resources

Highfield Resources is an ASX listed potash company which is focussing on the construction of its flagship low cost, low capex Muga Project in Spain having now received all permits and key licences needed. With the Mining Concession being granted in July 2021, the ramp construction licence in Aragón in June 2022 and the process plant construction licence in Navarra in March 2023. Following the finalisation of the initial site preparatory work of the mine gate and decline area, full scale construction is expected to commence in the second half of 2023.

Muga is a unique project – with shallow mineralization with no aquifers above it there is no need to build a shaft. There is quality and readily accessible infrastructure already in place in the region and importantly, the Muga Project is located in the heart of a European agricultural region which has a clear deficit in potash supply. In addition to Muga’s secure southern European location, since February 2022 events in Russia and Belarus have heightened the awareness of the strategic value of the Muga Project for both Spain and the European Union.

Highfield’s potash tenements (Muga-Vipasca, Pintanos, and Sierra del Perdón) are located in the Ebro potash producing basin in Northern Spain, covering an area of around 250km².

LOCATION OF MUGA-VIPASCA, PINTANOS, AND SIERRA DEL PERDÓN TENEMENT AREAS IN NORTHERN SPAIN.



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