



Corporate Presentation
January 2019



COMPETENT PERSONS STATEMENT FOR MUGA POTASH PROJECT

This update was prepared by Mr Peter Albert, Managing Director of Highfield Resources. The information in this update that relates to Ore Reserves is based on information prepared by Dr Mike Armitage, the Chairman of SRK Consulting (UK) Limited. Dr Mike Armitage is the Competent Person who assumes overall professional responsibility for the Compliance Opinion. The information in this update that relates to Mineral Resources, Exploration Results and Exploration Targets is based on information prepared by Ms Anna Fardell, Senior Consultant at SRK Consulting (UK) Limited, and Mr Tim Lucks Principal Consultant at SRK Consulting (UK) Limited.

Dr Mike Armitage is employed by SRK Consulting (UK) Limited. The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled under the direction of Dr Mike Armitage, who is a Member the Institute of Materials, Metals and Mining ("IMMM") which is a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by the Australian Securities Exchange ("ASX") from time to time.

Dr Mike Armitage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Dr Mike Armitage consents to the inclusion in this update of the matters based on this information in the form and context in which it appears.

Ms Anna Fardell is a Resource Geologist employed by SRK Consulting (UK) Limited, and has at least five years' experience in estimating and reporting Mineral Resources relevant to the style of mineralisation and type of deposit described herein. Ms Fardell is a registered member of the Australian Institute of Geoscientists (6555) and considered a Competent Person (CP) under the definitions and standards described in the JORC Code 2012. Ms Fardell takes responsibility for the Mineral Resource Statement presented here.

Ms Anna Fardell consents to the inclusion in this update of the matters based on their information in the form and context in which it appears.

COMPETENT PERSONS STATEMENT FOR MINERAL RESOURCES AND EXPLORATION TARGETS OTHER THAN THE MUGA POTASH PROJECT

This update was prepared by Mr. Peter Albert, Managing Director of Highfield Resources. The information in this update 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.; and Mr Manuel Jesús Gonzalez Roldan, Geologist of CRN, S.A.

Mr José Antonio Zuazo Osinaga is a licensed professional geologist in Spain, and is a registered member of the European Federation of Geologists, an 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 he is 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.

Mr. José Antonio Zuazo Osinaga and Mr. Manuel Jesús Gonzalez Roldan consent to the inclusion in this update of the matters based on their information in the form and context in 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.

Highfield Resources Limited

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Highfield Resources' Vision and Core Values

“To build a successful, sustainable, potash business with respect for stakeholders and the environment”

Commitment

We are committed to best practices in health and safety, the environment, and the communities in which we operate.

Respect

To act and communicate collaboratively with transparency, sincerity and an understanding of cultural diversity.

Excellence

We are committed to best practices in health and safety, the environment, and the communities in which we operate.

Attitude

To uphold the highest standards in regards to ethical performance, honesty, integrity, fairness and equality with all stakeholders.



Compromiso Respeto Excelencia Actitud

CREA

Commitment Respect Excellence Attitude

Corporate Summary

Equity

Ordinary Shares in Issue 329.5m

Options 43.7m

Fully Diluted 373.2m

Undiluted Market Cap at A\$0.64 (29/01/2018) A\$210.9m

Cash as at 31 December 2018 A\$55.2m

Enterprise Value A\$155.7m / EUR€97.5m

Average Daily Volume (6 months) ~190,000

Shareholders (Fully Diluted)

Spanish in-country management 4%

Board 4%

EMR Capital 28%

Other Shareholders 64%

Total 100%



Muga Mine Competitive Advantages



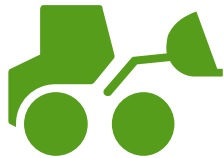
Muga Project Update Confirms Commercial Potential

C1 cash costs of €104/t, including salt by-product credit
NPV₈ of €1.16 billion, IRR 23%
EBITDA of €300 million per annum at full production



Favourable Environment

Well advanced permitting approvals and strong community support
Qualified and available local labour market addressing
depopulation challenges



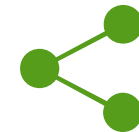
Conventional Mining and Processing

Decline access to shallow mineralisation
Underground Room and Pillar mining
No aquifers
Flotation and small crystalliser



Proximity to Markets

Located in a potash consuming region
Good access to the large Brazilian,
North African and US markets



First Class Infrastructure

Direct connection to national
electricity grid
Close to ports and access to road
systems

Highly Experienced Board

Derek Carter
Independent Non-Executive, Chairman

He has over 40 years of experience. He was a manager for **Shell Group** and **Burmine Ltd** before founding **Minotaur Gold Ltd**. He has been a member of the board of directors of **Intrepid Mines Ltd**, **Mithril Resources Ltd**, **Toro Energy** and **Petratherm Ltd**, companies listed on the ASX.

Roger Davey
Independent Non-Executive Director

He was a Director, Vice President and General Manager of **Minorco** (Argentina) for several years. More recently he was Senior Mining Engineer in the project finance team for **NM Rothschild Mining and Metals**. Roger is experienced in operating in Spain as the Chairman of **Atalaya Mining** and has considerable knowledge of start-up mines around the world.

Pauline Carr
Independent Non-Executive Director

She has over 30 years of resources sector experience. She has occupied senior and executive positions for **Newmont Asia Pacific** and **Normandy Mining Limited** and had worked for a number of years in the petroleum and gas sector with **Exxon Mobil**.

Isaac Querub
Independent Non-Executive Director

He was the CEO of **Glencore Spain**. Partner of **Andria Real Estate Investments**, **Incogas** and **Moka Consulting**. He was a member of the Board of **Asturiana de Zinc** and currently he is a member of the board of various European mining companies.

Jim Dietz
Independent Non-Executive Director

He has over 40 years of experience in the fertilizer industry. He was Chief Operating Officer of **Potash Corporation Saskatchewan**, (**'Potash Corp'**), the largest fertilizer company in the world. He was also the President of **PCS Nitrogen**.

Peter Albert
Managing Director & CEO

He has over 35 years of experience in the mining industry. He was CEO for **Jinchuan Group** International Resources Company and **G-Resources** Group (Hong Kong). He has occupied other executive positions for **OZ Minerals Limited**, **Oxiana Limited**, **Shell-Billiton** (Australia), **Aker Kvaerner** (Australia) and **Johannesburg Consolidated Investments** (South Africa).

Owen Hegarty
Non-Executive Director

He has over 40 years of experience. 25 years with **Rio Tinto**, where he was Managing Director for **Rio Tinto Asia** and Managing Director of the Group's Australian copper and gold business. He was the founder and CEO of **Oxiana Limited** Group. He is currently the President of **EMR Capital**, a private equity firm.

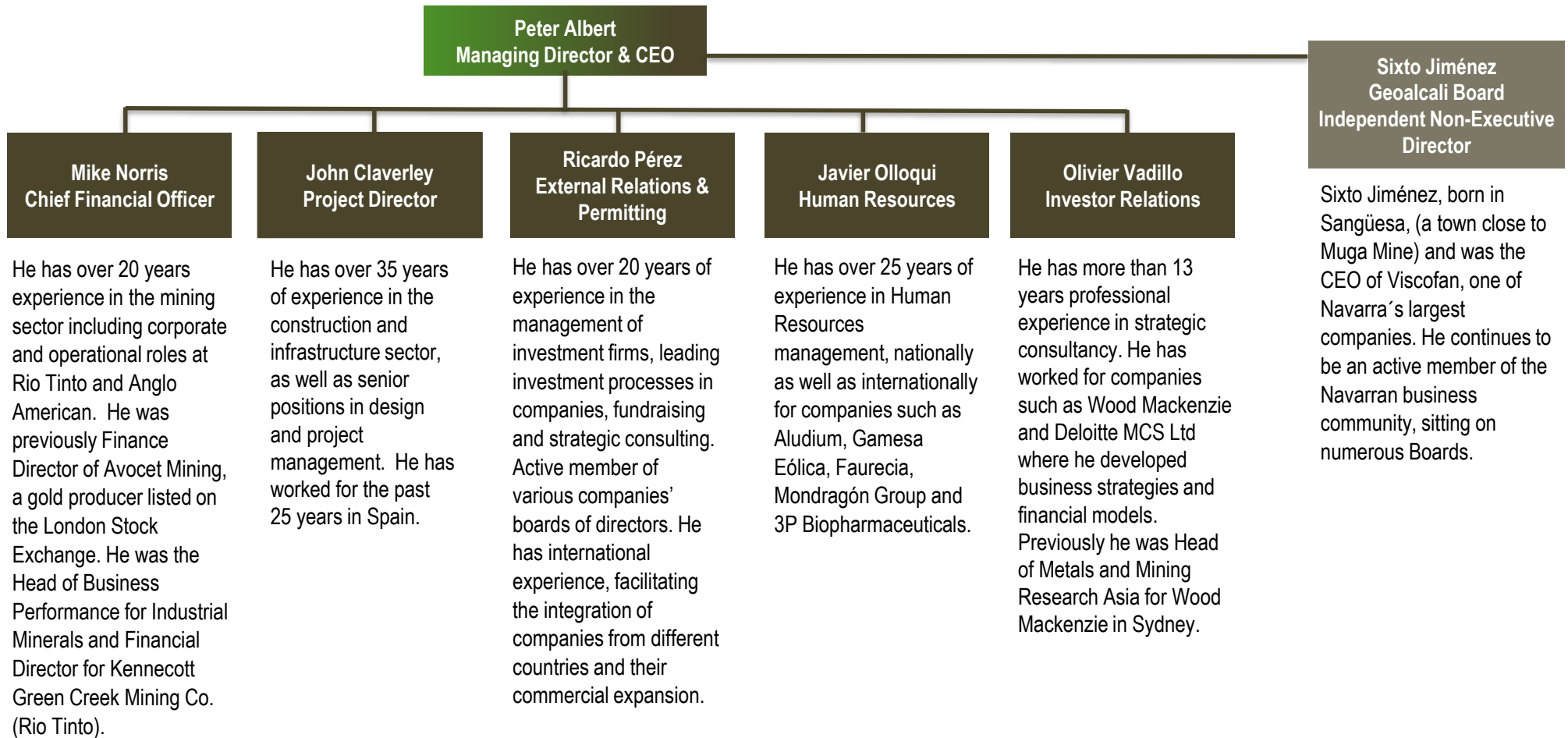
Richard Crookes
Non-Executive Director

He has over 30 years of experience in the resources sector. He worked as Chief Geologist and Mining Manager for **Ernest Henry Mining** in Australia (now **Glencore**). He has been Executive Director for the Energy Metals Division of **Macquarie Bank** and Investment Director for **EMR Capital**.

Brian Jamieson
Non-Executive Director

He was on the Board of **Oxiana** for 10 years and assisted Owen Hegarty in developing that company into a major mining house. Brian has over 40 years' experience in the advisory, manufacturing, resources and technology industries in Australia and offshore and is experienced in developing exploration-focused companies into producers.

Firmly Committed and Skilled Management



All executive team based in Pamplona near the Muga Project site

Muga Project Progress to Date

01

Completed mine design optimisation including work by specialist consultant, SRK Consulting

Lab testing, preliminary plant design and engineering optimisation work was completed by the Saskatchewan Research Centre and Hatch

02

A third-party project review by Micon International Company Limited confirmed Highfield's project execution plan as robust

03

Updated Mineral Resource Statement for Muga indicates a Measured and Indicated Mineral Resource of 234.75 million tonnes at 12.3% K₂O

04

Updated capital cost (capex), operating cost (opex), mine plan and financial outcomes that include anticipated requirements of the environmental permitting

05

Signing of an updated MOU with Acciona

Reducing construction and Project delivery risk, ensuring that the project is built on time and on budget

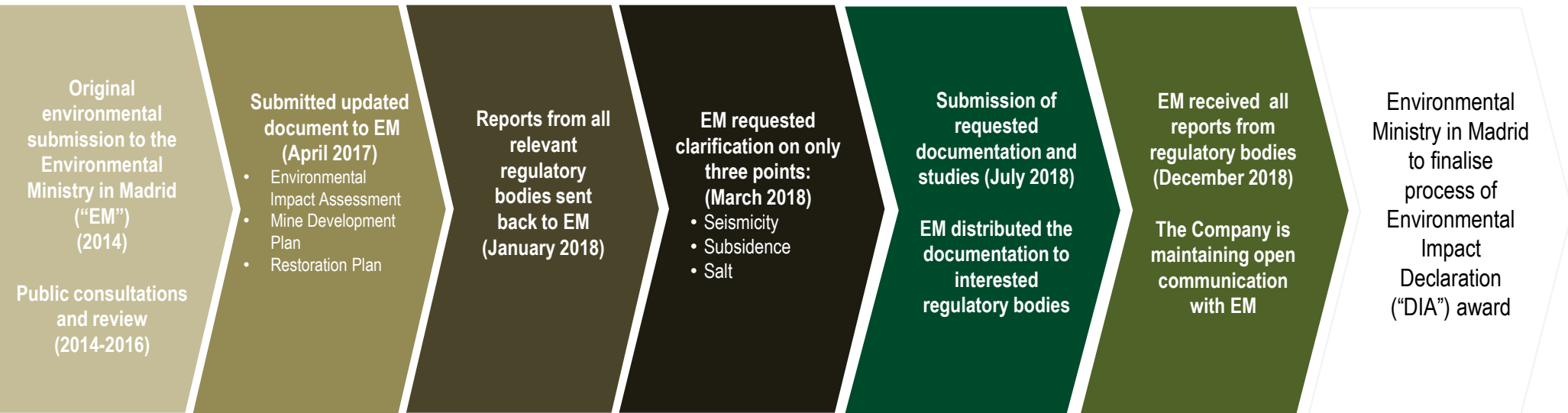
06

Updated Ore Reserve Estimate for Muga comprising 108.7 million tonnes of Proved and Probable Reserves at 10.2% K₂O

The Ore Reserve estimate adds additional certainty and confirms the technical and economic validity of the Project

The updated costs position **Muga Project** as potentially one of the **highest margin potash mines globally.**

Environmental Permitting Moving to Conclusion



Permitting Process – Next Steps

The Company continues to remain confident of receiving its DIA , Mining Concession and construction permits

Mining Concession

- Following a positive DIA the Department of Mines can consider the award of the Mining Concession (CE)
- Timeline: estimated 3-6 months after DIA award

Construction Permits

- Town Halls
- Water Authority
- Power connection and lines
- Roads
- Building permits
- Timeline: estimated 6-12 months after Mining Concession award

Muga Mine Project update in figures

The updated Project continues to show strong financial metrics and positions Muga as potentially one of the highest margin potash mines globally

01 Two phase mine development

02 Approximately 500,000 tpa of MOP for Phase 1 and 1,000,000 tpa for Phase 2

03 Phase 1 capex of €342 million with additional Phase 2 capex of €199 million

04 Competitive C1 cash cost of €104/t, including salt by-product credit

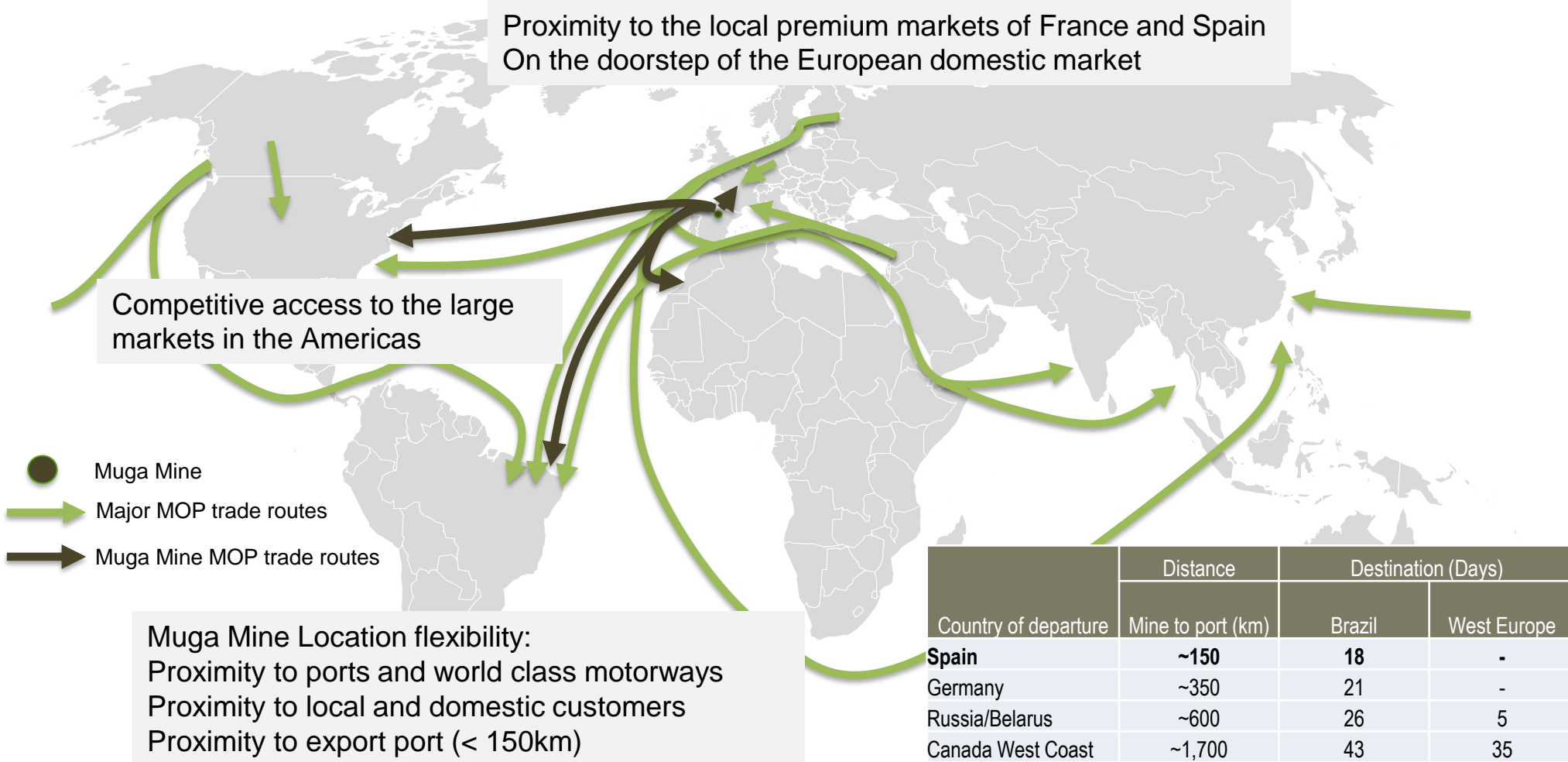
05 EBITDA of approximately €300 million per annum at full production

06 Mine location continues to drive globally competitive margins

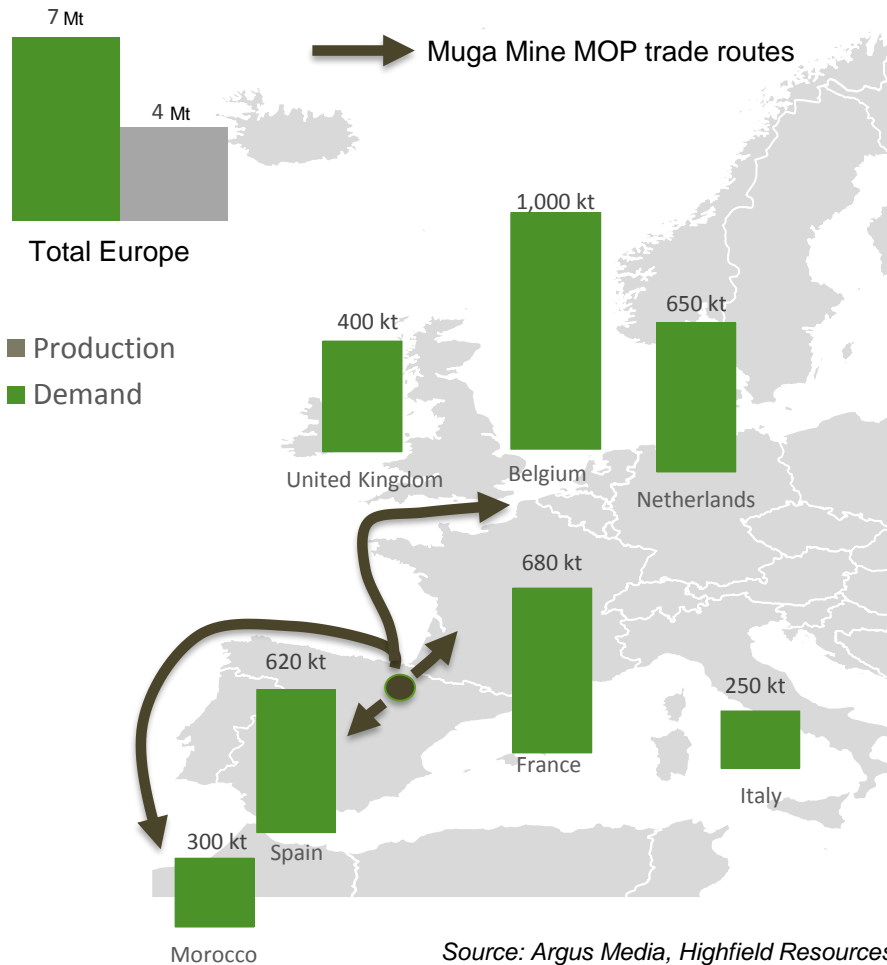
07 27 year mine life

08 NPV₈ €1,159 million and IRR of 23%

Muga's location is one of its major assets



Muga's location is one of its major assets

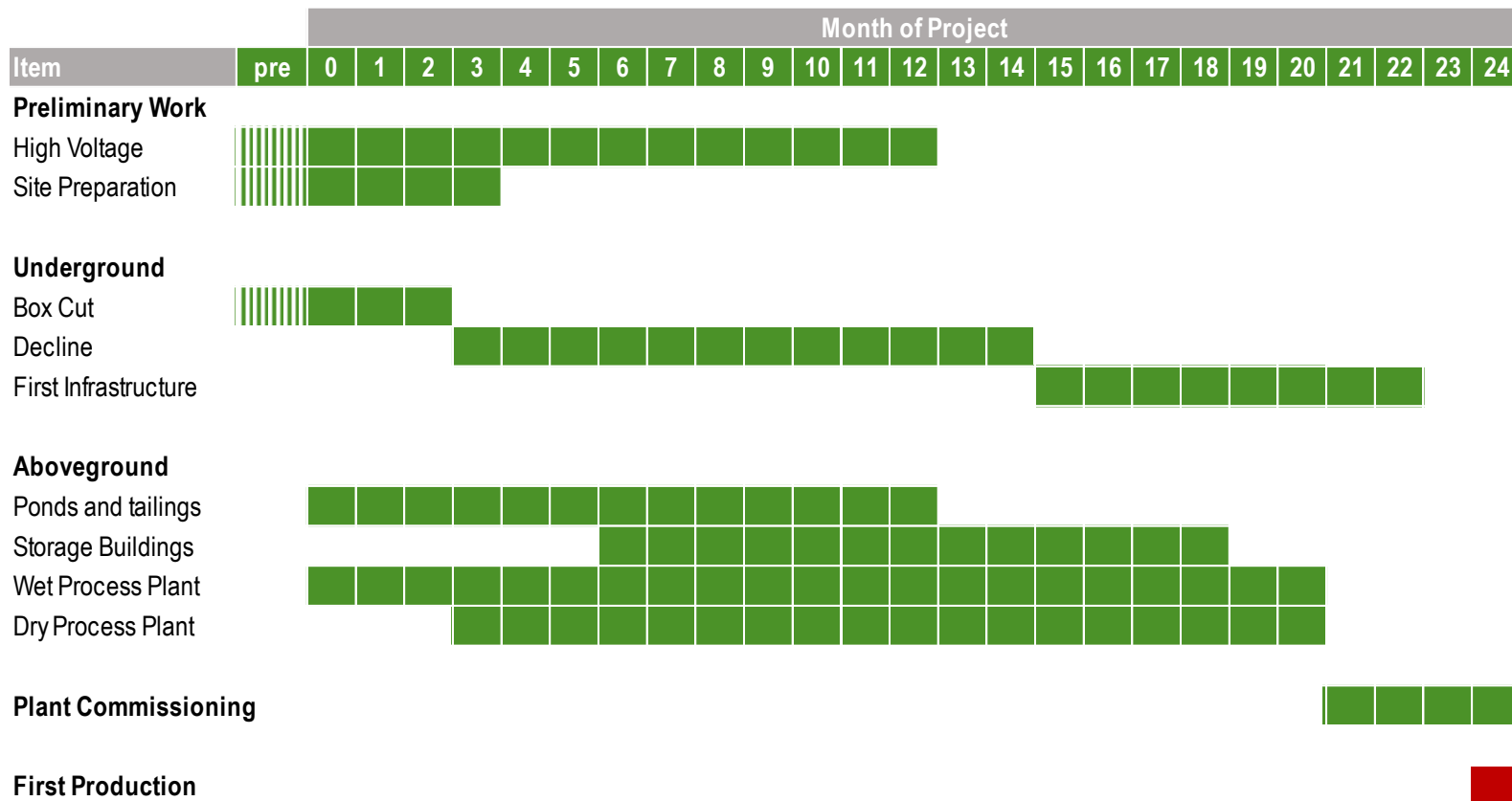


- The Muga mine will be close to key demand areas of Europe
- With extremely competitive and versatile export options
 - Truck or Ship
- Quick delivery times to customers
- No European import duties to other EU countries
- European potash production is declining
 - Boulby potash mine in the UK shut (Capacity: 500ktpa)
 - Sigmundshall mine in Germany shut (Capacity: 600ktpa)
 - Wintershall mine restricted production due to low river levels in Germany
- Africa is a key growth area

Timeline to production and key milestones

Construction and commissioning of phase 1*

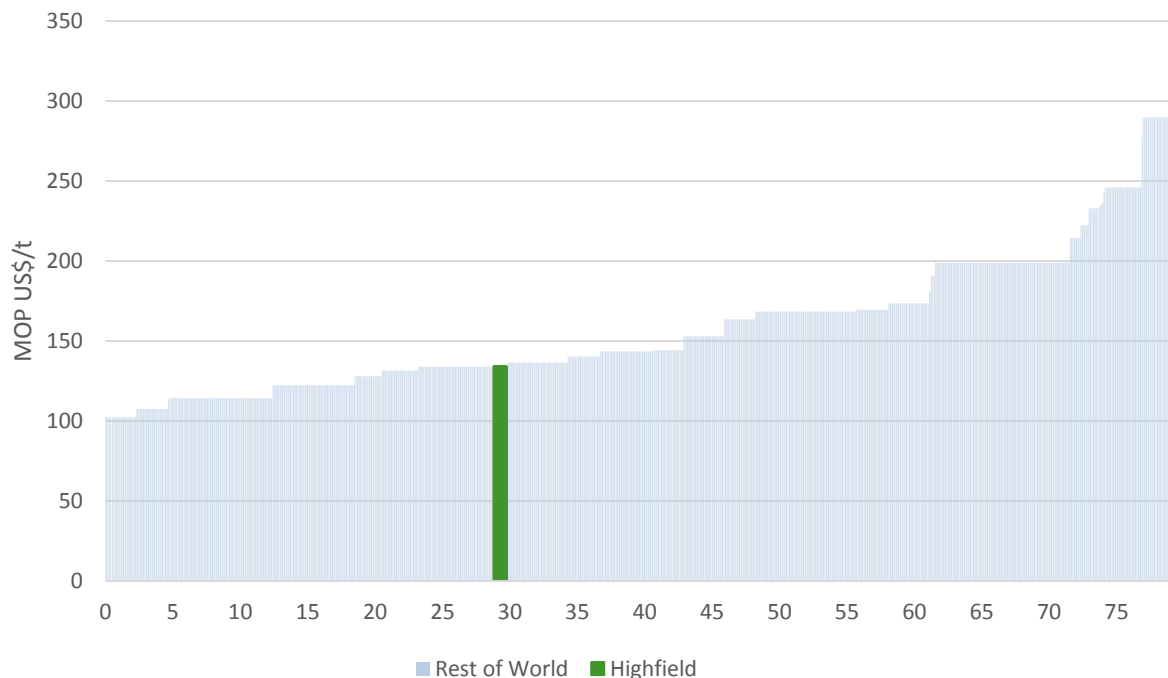
Estimated timeline: 2 years from commencement of construction



* Phase 2 is estimated to require a further 2 years to build following the commitment decision.

Muga's competitive position on the cost curve against world peers

FOB Cost curve forecast for 2024 (real US\$)

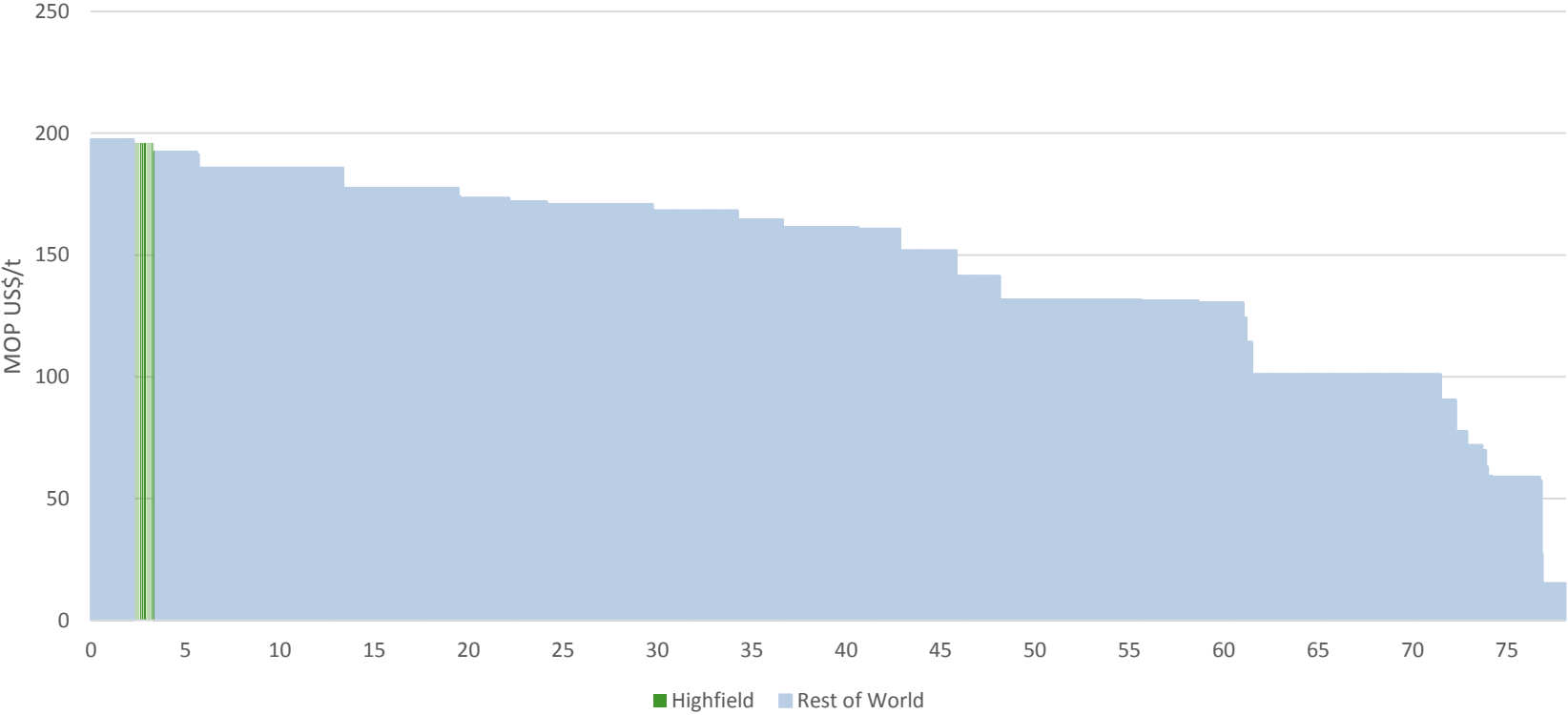


C1 Costs Components	Euros/tonne of MOP
Mining	38.15
Processing	47.74
Salt treatment	3.53
Waste and backfilling	4.85
Environmental & Other	3.23
Sub Total	97.51
G&A	7.79
Sustaining Capital	9.99
Net By-Product Credit	-11.72
Total C1 Costs	103.57
C2 Costs Components	
Depreciation	23.60
C1 Costs	103.57
Total C2 & C3 Costs	127.16

Source: Argus Media 2024 cost forecasts (Q3 2018 dataset), Highfield Resources., ASX Release 15 Oct. 2018

Muga Mine Competitive margin position

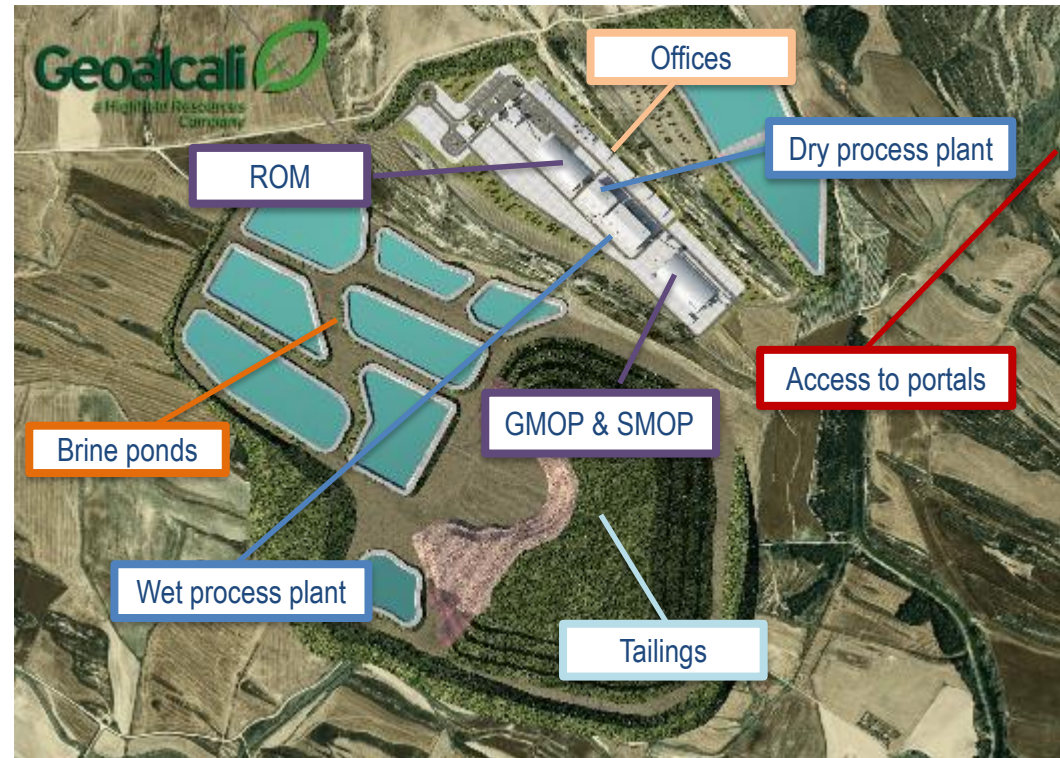
Margin curve forecast for 2024 (real US\$)



Source: Argus Media 2024 cost forecasts (Q3 2018 dataset), Highfield Resources., ASX Release 15 Oct. 2018

Favourable Local Environment

- Marginal farm land with natural terrain features, allowing low impact development
- Compact site development
- Close to world class local infrastructure – roads, ports, water and power
- Qualified and available local labour market
- Industry friendly region (Project provides employment opportunities and assists in stemming decline of local rural population)



Rehabilitation Plan

Minimal environmental impact assists social acceptance

- Restoration plan designed to progressively reinvigorate the project site during and after mine operations
- Salt by-product sold and/or residue placed underground
- Zero salt tailings on surface at the end of planned mine operations



A sharp focus on Environmental, Social and Governance factors to secure a long term investment

Community involvement

- Over 93% of community feedback received has expressed the view that this project will bring benefits to the region
- Over 100 initiatives with town halls, social associations, foundations and scientific/agricultural organisations
- Local mayors have publicly expressed their support

Setting an example

- Forética, the most important sustainability institution in Spain has recognised Geoalcali's Community Communication Plan as an example of best practice in transparency and stakeholder management
- Voluntary Official Consultation Process undertaken as a commitment to transparency and open communication to support the environmental permits and community support
- Geoalcali has been invited to present at forums as an example of best practice in social management by local and national government entities

Local stakeholder engagement is key to a successful project



Mayors of the region, community members and Company representatives in information session on August 2018



Open Doors Event – October 2017



The Company welcomed over 200 people from local communities



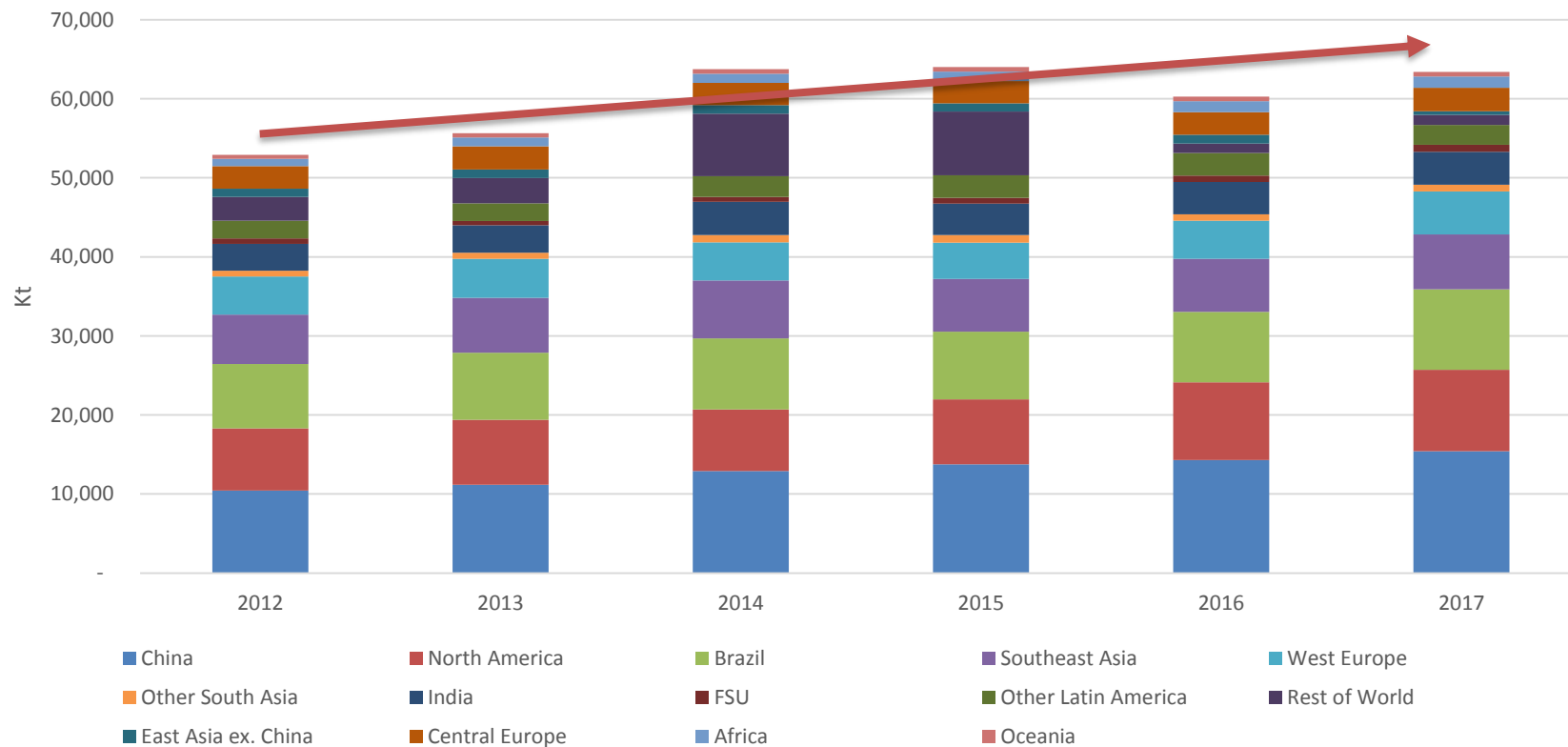
Working sessions, information talks, and site visits to explain the project to all our local stakeholders



Talks on mining to schools in the region with special focus on equality & diversity

Potash Market Overview: demand steadily increasing

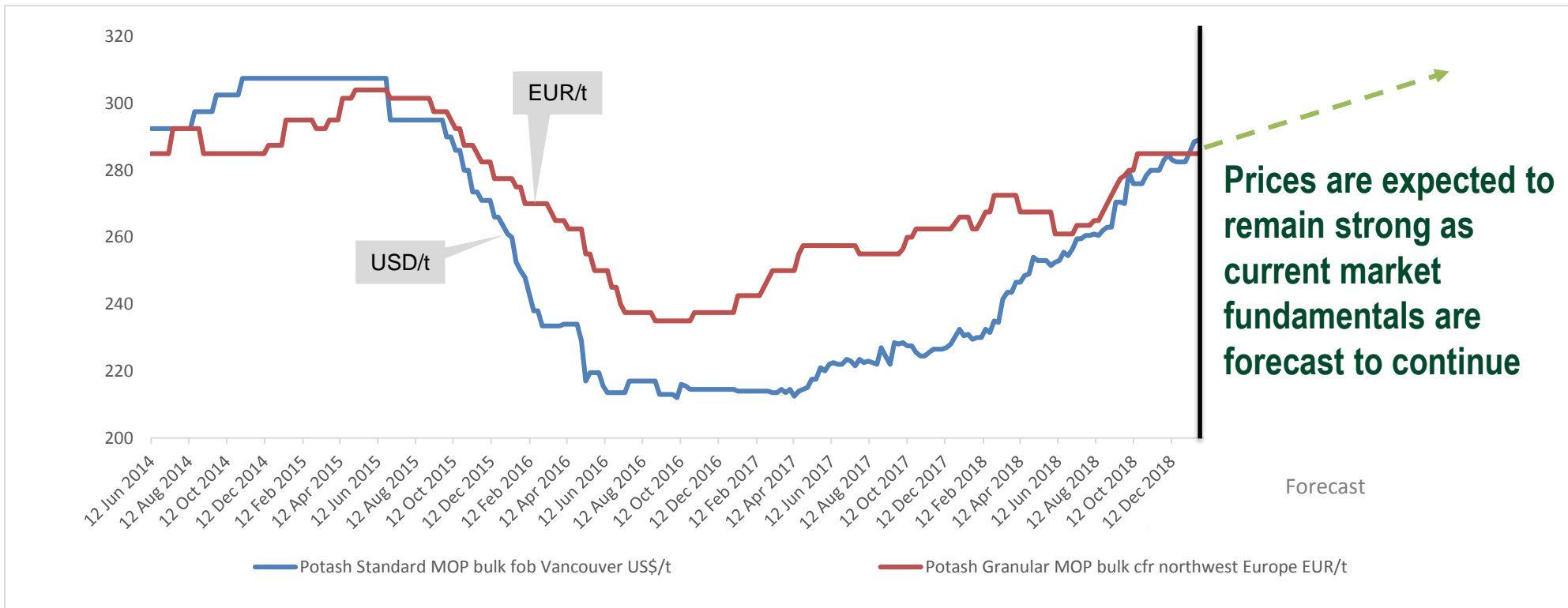
20% increase in global demand since 2012



Source: Argus Media, Highfield Resources

Potash Market Overview: price recovery

Mine closures in Europe and slower ramp up of new mines has tightened the market and prices have started recover



Source: Argus Media, Highfield Resources

The future for potash demand looks positive



Arable land per person has been decreasing steadily over the years



With global population continuing to grow this trend is expected to continue



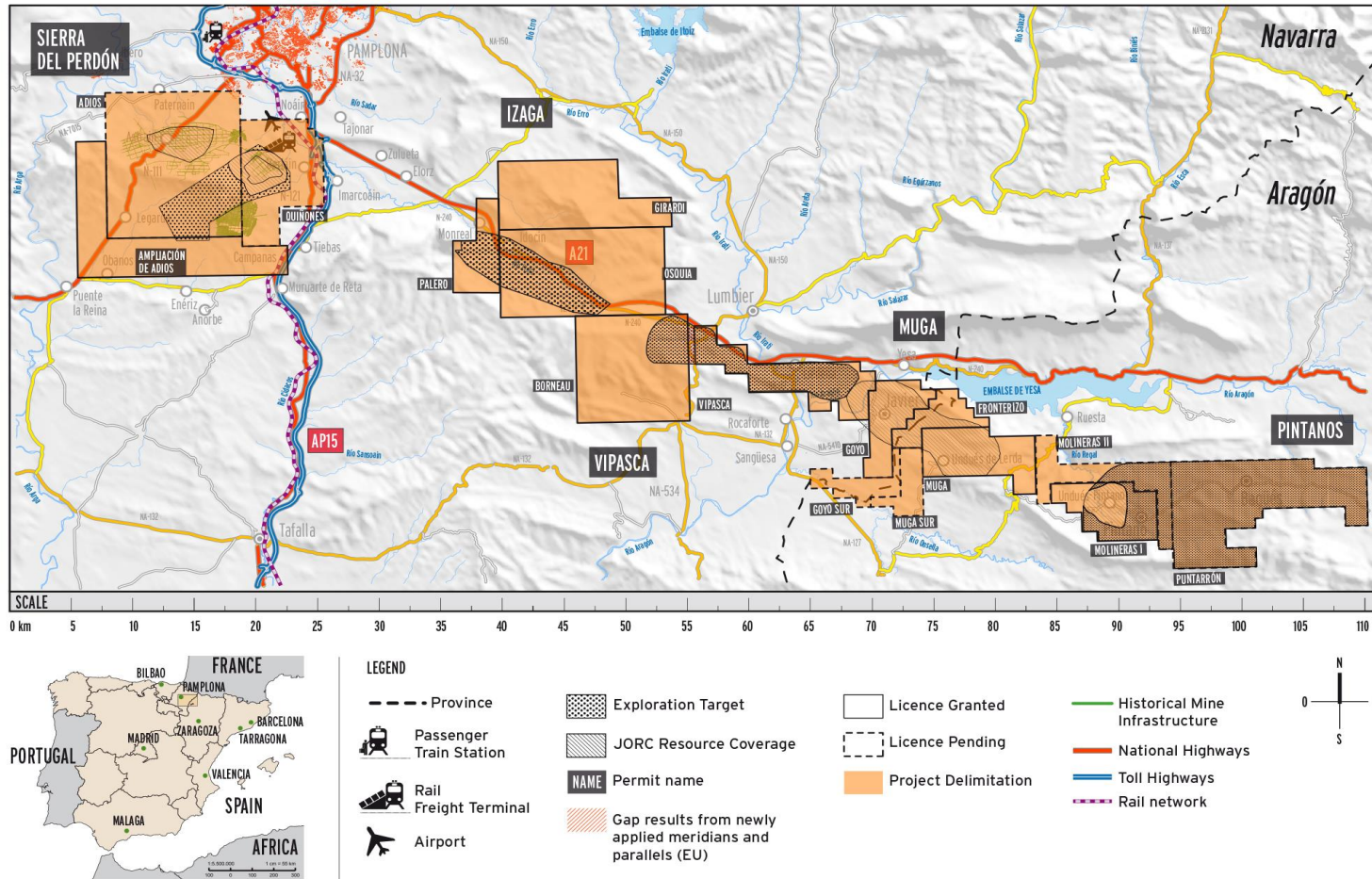
This increases the need for higher crop yields and therefore the requirement for fertilisers



All forecasts point towards a very strong long term future for potash demand

Upside Potential – Other Projects

Basin of projects with shared characteristics of Muga Potash Mine



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

Summary – Highfield Resources

Significant long term upside

- ✓ Muga Project Update data confirms low capital cost to production
- ✓ Very strong community and local government support
- ✓ High margin driven by technical factors and project location
- ✓ Experienced team of mine builders and operators
- ✓ Advancing environmental and development permits to commence construction
- ✓ Potash market demand and price increasing year-on-year
- ✓ Very positive short term and long term market fundamentals

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