

ASX Release
06 June 2019

Muga Project Receives Positive Environmental Permit

Highfield Resources (ASX: HFR) (“Highfield” or “the Company”) is pleased to provide an update on the Company’s flagship Muga Potash Project (“Muga” or “the Project”).

The Company is pleased to announce that on Tuesday evening 4 June 2019 (Australia time) the Company received notification from the Ministry for Ecological Transition (Ministerio para la Transición Ecológica, “MITECO”) that on 31 May 2019 it had approved the granting of a positive Declaración de Impacto Ambiental (“DIA”) in respect of the Muga Project. Upon receipt of the notification the Company applied for and was granted a trading halt by the ASX to assist in managing its continuous disclosure obligations.

This positive DIA means the Company has now received the key environmental permit required to move its Muga Project forward.

The Company will now focus on securing the Mining Concession and the construction permits necessary to take the Project into construction. It will also commit to the purchase of certain long lead time mining and process plant equipment, as well as completion of the final project design.

The Company is in a strong position to move into this next stage of project development having recently released a new Mineral Resource Statement (refer ASX release 10 October 2018, “Updated Mineral Resource Estimate – Muga Project”) , a new Ore Reserve Statement (refer ASX release 22 January 2019, “Updated Ore Reserve Estimate – Muga Project”), a Muga Project Update (refer ASX release 15 October 2018, “Muga Project Update”), and a refreshed MOU with the large Spanish construction contractor, Acciona, for construction of the Muga Mine (refer ASX release 16 November 2018, “MOU signed with Acciona”).

As is standard practice in these types of environmental approvals, the DIA contains some conditions related to minimising environmental impacts. The Company is pleased to advise that upon its initial preliminary review of the documentation, there appear to be no additional requirements that the Company was not already aware of and had not already incorporated into its Project planning accordingly.

Highfield Resources CEO Peter Albert said: *“The awarding of the DIA is the most significant step for Highfield in de-risking the Muga Project. In partnership with all of our stakeholders we look forward to delivering on our Vision “To Build a successful, sustainable, potash business with respect for stakeholders and the environment”. The Muga Project has the potential to deliver tremendous benefits to all of our stakeholders and the Highfield team is excited to now be able to move towards mine construction. On behalf of the Highfield Board, I would like to thank all of our shareholders for their continued support. I would also like to thank all of our staff, the local, regional and national governments, and our advisers for all of their tireless work in reaching this significant development”.*

Highfield Resources Limited
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ASX: HFR

Issued Capital
329.5 million shares
43.75 million options

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A conference call for investors and analysts is scheduled for 2pm Australia EDT on 7 June 2019 (6am Central European Summer Time on 7 June 2019; 5am BST on 7 June 2019). Dial in details of the conference call are below:

Dial in details:

| Country | Toll-Free number | Toll Number |
|----------------|------------------|------------------|
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