

ASX Release
11 September 2019

HIGHFIELD RESOURCES SIGNS MOU FOR OFFTAKE FROM MUGA POTASH MINE

Highlights

- **Non-binding Memorandum of Understanding (MOU) signed with Ameropa AG for the sale of 250,000 tonnes of MOP from the Muga Potash Mine**
- **Ameropa AG is a Swiss based agri-business with world-wide activities ranging from production, logistics and marketing to distribution**

As part of its sales and marketing strategy for the full production of 1 million tonnes per annum of the 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 offtake MOU with Ameropa AG ("Ameropa").

The agreement is for Highfield to provide Ameropa up to 250,000 metric tonnes per annum of muriate of potash ("MOP" or "the Product"). The Product will be a combination of both standard and granular MOP with Highfield having the option to increase to 300,000 metric tonnes per annum.

Ameropa is a Swiss based agri-business with over 70 years' experience and undertakes global activities ranging from production, logistics and marketing to distribution. Ameropa's core business and expertise is physical trading of fertilisers and grains. Highfield believes that the future potential partnership with Ameropa will provide an enhanced understanding of the MOP market and logistical expertise that will be invaluable in the first years of production.

Following the receipt of its environmental permit in June 2019, Highfield is currently engaged in ongoing offtake discussions with wholesale customers, distributors and global traders for the full production capacity from the Muga Mine.

Highfield Resources CEO Peter Albert said: *"We are pleased to have signed this important offtake MOU, which is a further acknowledgement within the potash world that Highfield's Muga Mine will be an important contributor to both local European and global supply. This is an important first step in our commercialisation strategy and Ameropa brings extensive expertise and experience in the potash and fertiliser space."*

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Issued Capital
329.5 million shares
24.66 million options

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Muga Project Overview

Highfield Resources (ASX: HFR) (“Highfield” or “the Company”) is a Spanish potash developer. The Company’s flagship project is the Muga Project (“Muga”) which covers an area of some 80km² in the provinces of Navarra and Aragón. The Company completed a feasibility study on Muga in 2015 which demonstrated the viability of mining the shallow dipping sylvinite beds which start at a depth of approximately 350 metres from surface.

The Company was recently granted a positive Environmental Approval for its flagship Muga Project and is now working towards obtaining the remaining permits which will enable it to commence construction of the Muga Mine.

For more information:

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About Highfield Resources

Highfield Resources is an ASX listed potash company with four 100% owned tenement areas located in Spain. Highfield’s Muga-Vipasca, Pintanos, Izaga and Sierra del Perdón tenement areas are located in the potash producing Ebro Basin in Northern Spain and together cover an area of more than 335km².

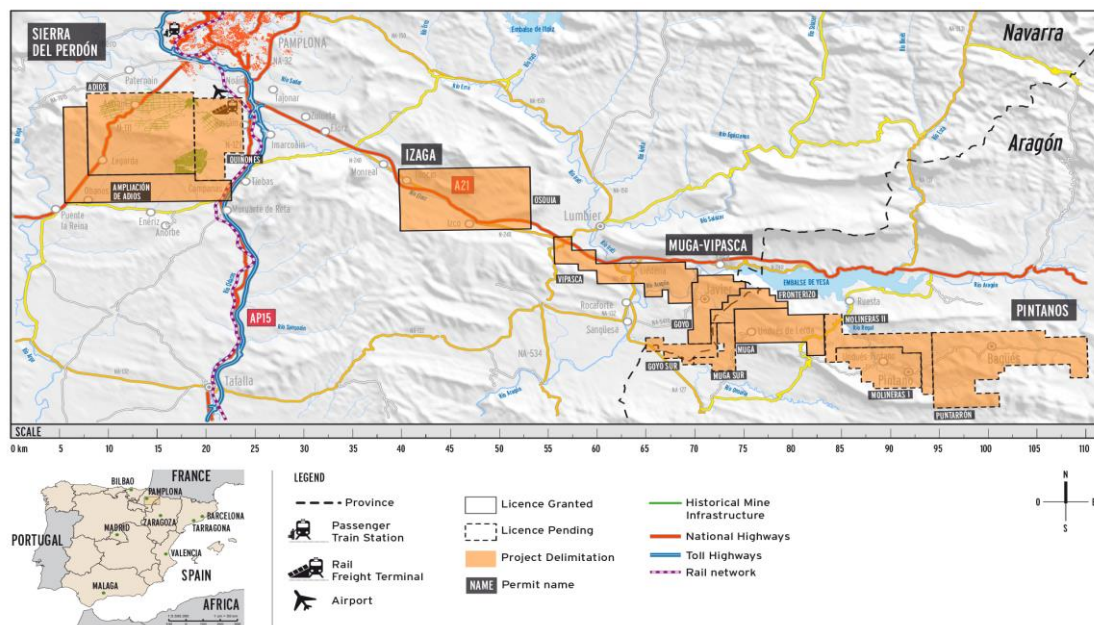


Figure 1: Location of Highfield’s Muga-Vipasca, Pintanos, Izaga and Sierra del Perdón Tenement Areas in Northern Spain*.

**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*