

ASX Release
06 February 2020

HIGHFIELD RESOURCES SIGNS MOU FOR OFFTAKE FROM MUGA POTASH MINE

Highlights

- **Non-binding Memorandum of Understanding (MOU) signed with Keytrade AG for the sale of 300,000 tonnes of MOP from the Muga Potash Mine**
- **Keytrade AG is a Swiss based agri-trader with a strong world-wide footprint**

As part of the Company's sales and marketing strategy for the full production of one million tonnes per annum 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 offtake MOU between Keytrade AG ("Keytrade") and Geoalcali S.L.U. ("Geoalcali"), Highfield's wholly owned Spanish subsidiary.

Under the MOU Highfield can provide Keytrade up to 300,000 metric tonnes per annum of muriate of potash ("MOP" or "the Product"). For Product destined for the export market and where commercially appropriate the loading ports of Pasajes or Bilbao or Bayonne will be used, where no shipping is required the Product will be trucked.

Keytrade is a large Swiss based agri-trader that was first established in 1997. Keytrade has substantial experience working with all types of suppliers, distributors, retailers and end-users across all fertiliser products and is active in more than 115 countries across the globe with key offices in Zurich, Madrid, Tampa, São Paulo, New Delhi and Beijing amongst others.

The future potential partnership with Keytrade will provide Highfield with enhanced insights into the MOP market which will be invaluable in the first years of production.

Highfield continues to engage in ongoing offtake discussions with other wholesale customers, distributors and global traders for the full production capacity from the Muga Mine.

Highfield Resources Chairman, Richard Crookes said: *"The signing of another offtake MOU is a very important step in solidifying Highfield's commercialisation strategy. In addition, it is further recognition by the market of the importance of the Muga Mine in the global and local MOP supply space. Keytrade brings many years of experience and a large global network that will be extremely valuable to Highfield."*

Highfield Resources Limited
ACN 153 918 257
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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) is a Spanish potash developer. The Company's flagship Muga Project is targeting the relatively shallow sylvinite 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.

The Vipasca Permit Area ("Vipasca") (see Figure 1) is located adjacent to the Muga Project and covers approximately 27km². Some areas of the tenement are highly prospective for economic potash mineralisation, with a primary focus on the deeper, higher grade, P1 and P2 potash horizons.

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

For more information:

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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 Highfield is now focusing on securing the Mining Concession and the construction permits necessary to take the Muga Project into the construction phase.

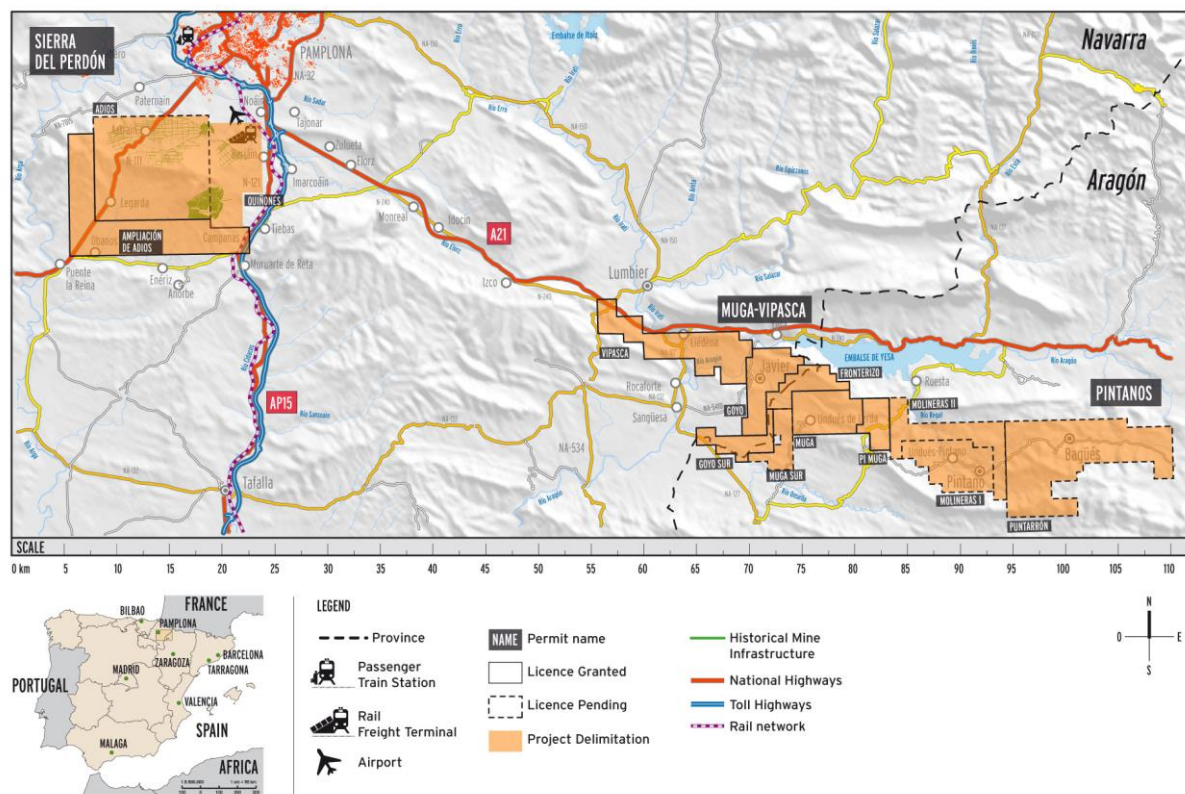


Figure 1: Location of Highfield's Muga-Vipasca, Pintanos and Sierra del Perdón Tenement Areas in Northern Spain