



ASX: HFR

29 March 2023

Construction Licence Granted for Muga Mine's Process Plant

HIGHLIGHTS

- The remaining licence for the construction of the Muga Potash Mine's Process Plant has been granted by the local authority – the Townhall of Sangüesa in Navarra.
- This was the pending licence needed to begin full scale construction at Muga.

Highfield Resources Limited ("Highfield" or the "Company") is pleased to announce that the Townhall of Sangüesa has issued the licence for the construction of the process plant (see Figure 2 and Figure 3).

The local townhalls (councils) of Undués de Lerda (Aragón) and Sangüesa (Navarra) (see Figure 2) are the responsible approving authorities for the mine gate and the process plant construction licences respectively. Following on from the grant of the mining concession, these two licences were essential for the construction of the Muga project ("Muga" or the "Project"). The Company now has the required permits to begin the full-scale construction of Muga comprising the civil works, the process plant and the ramps.

To expedite the process, the Company requested an amendment to the licence; this amendment was to exclude a small parcel of public land that required a more extended licencing process. This does not impact the construction of the Muga process plant and only slightly affects the southern ponds. The Company expects that this parcel of land will be included in the licence as construction starts.

Finalising the works around the mine gate area last year has given the Company a good head-start on the overall construction plan. The Company now plans to finalise the financing strategy, the remaining construction contracts and all other preparatory work before starting construction in the second half of 2023.

Ignacio Salazar, CEO, commented:

"The grant of the pending construction licence in Navarra for the process plant is a critical milestone for Muga. I do not think I am exaggerating by saying that we all feel this licence closes a long permitting chapter for Highfield. I would like to thank all our stakeholders, staff and shareholders for their continued support. The Company will now focus on building Muga as soon as possible."

-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 that has now received all key permits and construction licences, with the granting the Mining Concession in July 2021, the construction licence in Aragón in June 2022 and the construction licence in Sangüesa in March 2023. Initial site works for the construction of the Muga mine gate and the two underground declines which commenced shortly thereafter are now finished and the Company is now focused on starting the bulk of the construction work.

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 its secure southern European location, since February 2022 events in Russia and Belarus have increased 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.

FIGURE 1: LOCATION OF MUGA-VIPASCA, PINTANOS, AND SIERRA DEL PERDÓN TENEMENT AREAS IN NORTHERN SPAIN.

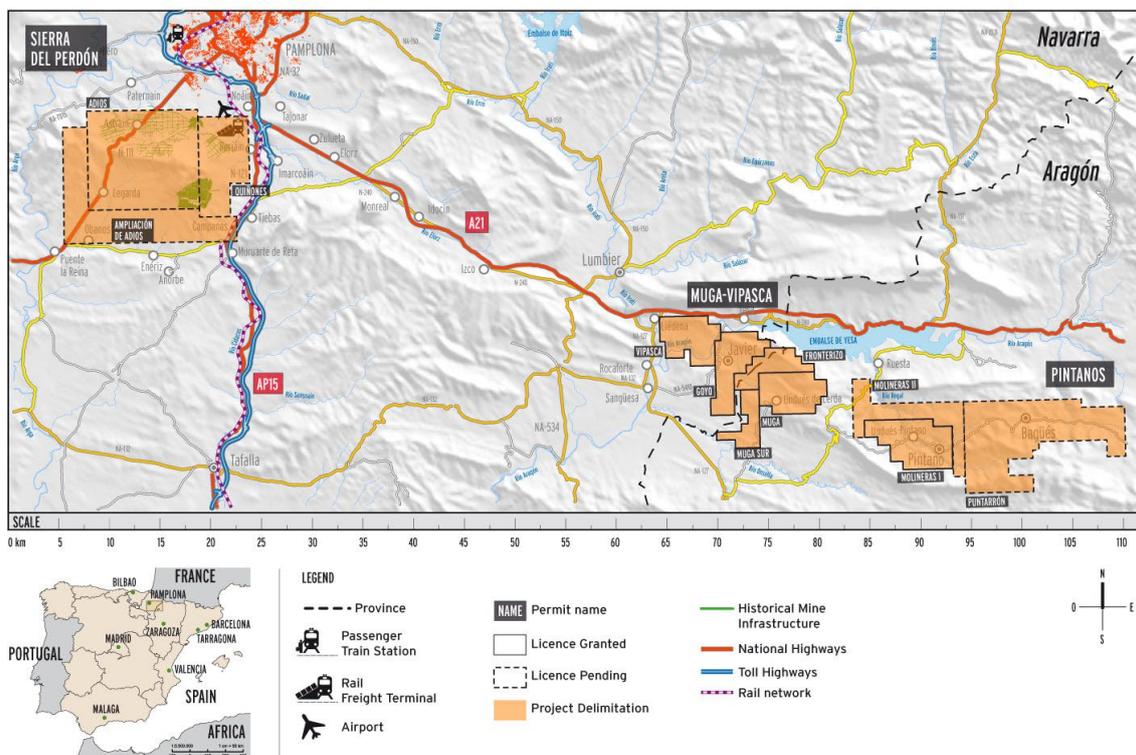




FIGURE 2: LOCATION OF THE MUGA PROJECT'S LICENCES IN UNDUÉS AND SANGÜESA

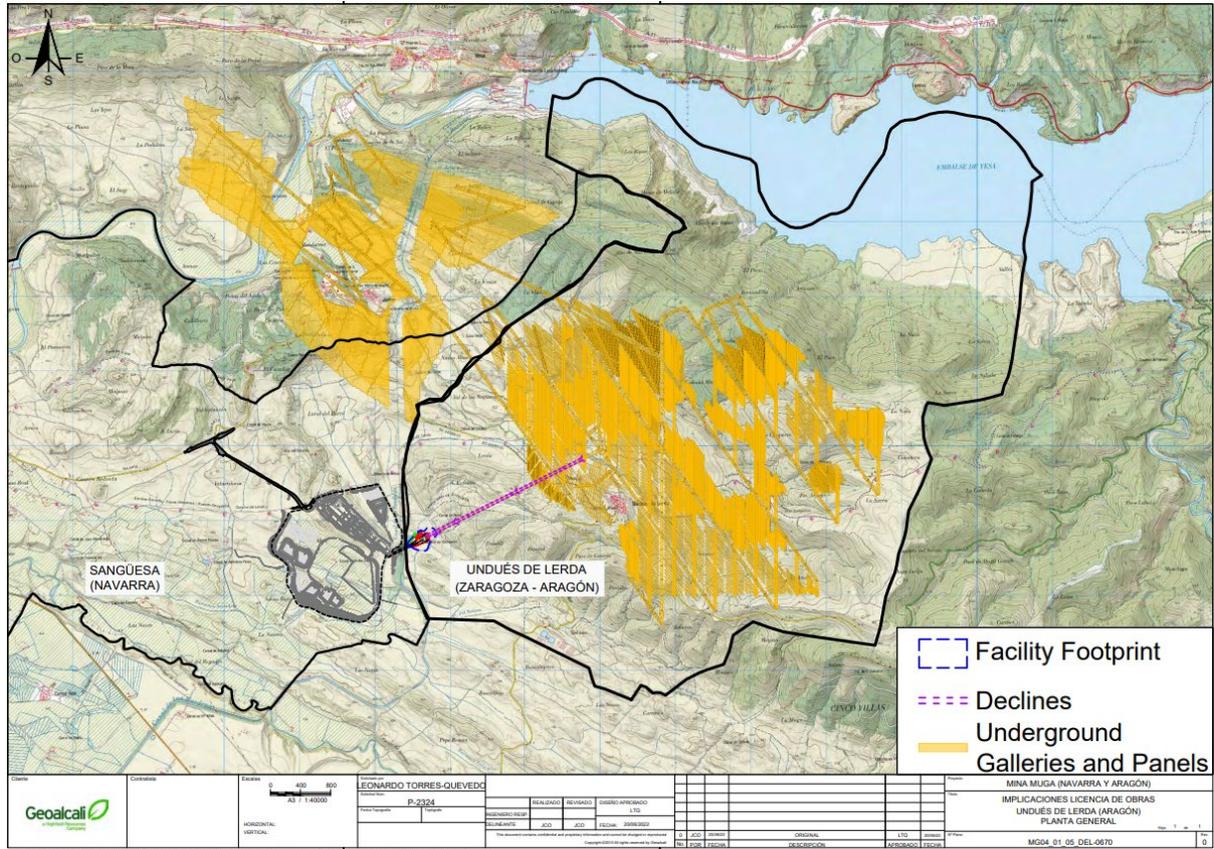


FIGURE 3: 3D REPRESENTATION OF THE MUGA PROJECT'S PROCESS PLANT

