

ASX Release
30 September 2020

HIGHFIELD SIGNS PURCHASE CONTRACT FOR A JOY MINER BOLTER FROM KOMATSU

Highlights

- **Contract for the purchase of a Joy miner bolter signed with Komatsu, a global leader in mining equipment manufacturing**
- **The miner bolter will be used initially to develop the underground access declines**
- **This contract represents a commitment of approximately €5 million, and is a significant contract award in the process of building the mine at Muga**

Highfield Resources (ASX: HFR) ("Highfield" or "the Company") is pleased to announce that its wholly owned Spanish subsidiary, Geoalcali S.L.U. ("Geoalcali", together with Highfield, the "Group") has signed on 29 September 2020, a contract for a Joy miner bolter with a subsidiary of Komatsu Mining Corp. ("Komatsu"), as part of the Group's continued development of the Muga Potash Mine ("Muga" or "the Mine").

Komatsu is an industry-leading manufacturer and supplier of equipment, technologies and services for the mining and construction markets. The company's industry-leading mining brands include Joy and P&H, which are used in the extraction and haulage of minerals in underground and surface mining.

The Muga deposit will be accessed via twin parallel declines from surface, each over a length of 2.6 km to a depth of approximately 350 metres below surface. The Company plans to build the underground access of the mine with one miner bolter and two leased roadheaders. Having two different types of excavation equipment will provide operational flexibility and reduce decline construction risk. Furthermore, while Highfield is making a significant commitment with the purchase of the miner bolter, the additional leased machinery supports the cash preservation objective of the Company. The miner bolter will be used in the future to develop the main underground infrastructure galleries.

Entering into the contract with Komatsu now will allow the miner bolter to be delivered, assembled and ready to excavate and construct decline portals following the completion of site preparation activities. A deposit payment will be made subsequent to contract signing.

Highfield Resources CEO, Ignacio Salazar, said: *"The signing of this supply contract with Komatsu is a significant milestone and continues to show the progress and the commitment of the Company to the development of Muga."*

The strategy to use both the Joy miner bolter and leased roadheaders is more robust as it provides operational and financial flexibility to the Company."

Highfield Resources Limited
ACN 153 918 257
ASX: HFR

Issued Capital
329.5 million shares
33.99 million options

Registered Office
C/- HLB Mann Judd
169 Fullarton Road
Dulwich, SA 5065
Australia

T. +61 8 8133 5000

Head Office
Avenida Carlos III, 13 -
1ºB, 31002
Pamplona,
Spain

T. +34 948 050 577
F. +34 948 050 578

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.

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

For more information:

Highfield Resources Limited

Ignacio Salazar
CEO
Ph: +34 948 050 577

Olivier Vadillo
Investor Relations
Ph: +34 609 811 257

Australia based queries:
Michael Weir
Citadel Magnus – Director, Partner
Ph: +61 (0) 402 347 032

UK based queries:
Bobby Morse
Buchanan – Senior Partner
Ph: +44 (0) 7802 875227

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 in mid-2019 Highfield submitted the documentation required for the Mining Concession in mid-March 2020 and is continuing to work on the relevant construction permits necessary to take the Muga Project into the construction phase.

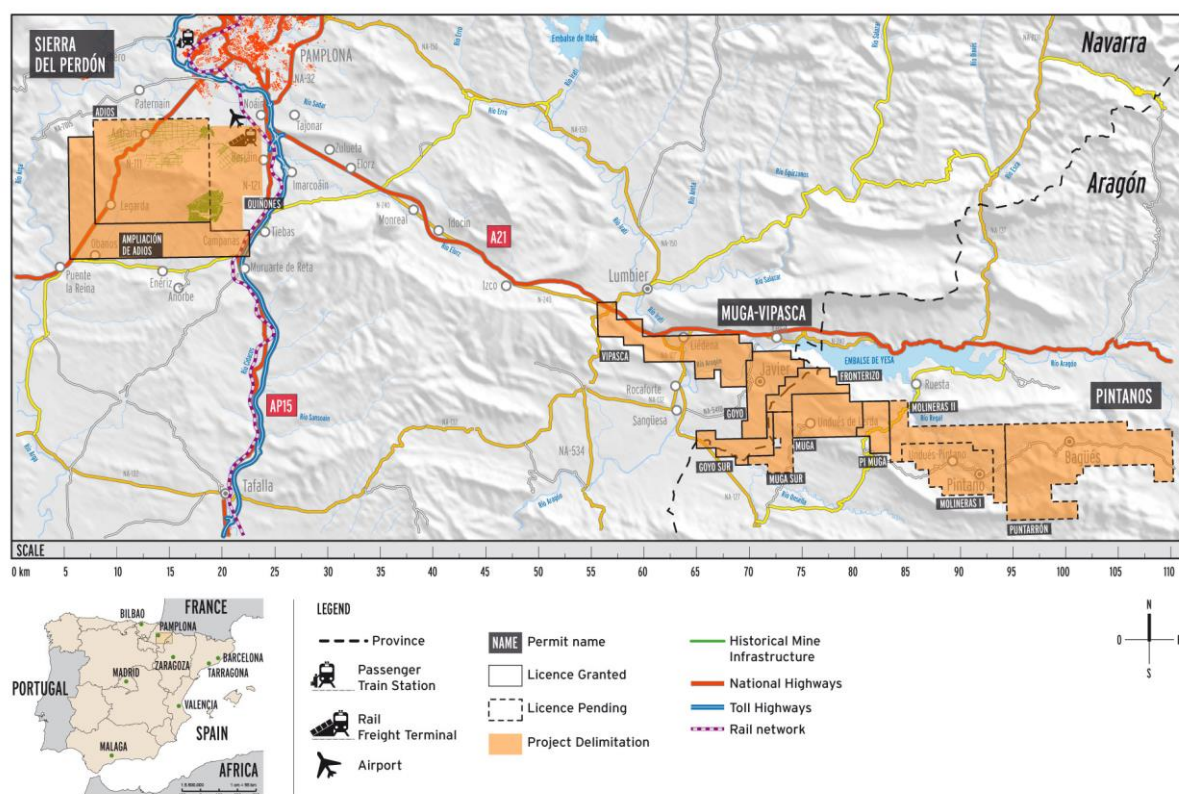


Figure 1: Location of Highfield's Muga-Vipasca, Pintanos and Sierra del Perdón Tenement Areas in Northern Spain