

ASX Release
5 March 2021

The Government of Navarra releases Social Baseline Study which outlines the significant positive socioeconomic potential of the Muga Project in Navarra

Overview

- The Social Baseline Study (“the Study” or “the Report”), an independent study commissioned by the Government of Navarra (“the Government”), has been published on 4 March 2021.
- The Study makes an assessment of the social and economic situation of the local community and looks at the potential impact of the Muga Mine.
- The Government Study concluded that the Muga Mine could significantly boost the economies of rural Navarran communities close to the Project by generating employment and indirect business opportunities.
- The Study also concluded that the Muga Mine has the potential to significantly reverse the severe depopulation and unemployment affecting the surrounding communities.
- The Study makes further constructive recommendations on how to maximise the positive impacts of the Muga Mine with the aim to contribute to a sustainable development in the area.

Highfield Resources Limited (ASX:HFR) (“Highfield” or “the Company”) is pleased to announce that the “Observatorio de la Realidad Social”, a social department of the Government of Navarra, has released on 4 March 2021 the Social Baseline Study of the Muga Mine that concludes that the Muga Potash Mine (“Muga” or “the Mine” or “the Project”) represents a significant positive socioeconomic potential for the local region.

The independent Government Study concludes that the Mine will be able to reverse local depopulation which is severely affecting the local communities. It also concludes that it could reverse the higher rates of local unemployment and that Muga could significantly boost the economies of the rural Navarran communities with indirect business opportunities. The Report also outlines eight collaborative strategies for the regional government, authorities and the Company to follow in order to achieve a sustainable implementation and growth.

Highfield Resources Limited
ACN 153 918 257
ASX: HFR

Issued Capital
329.6 million shares
22.82 million options

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

T. +61 8 8133 5098
F. +61 8 8431 3502

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

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

The Government Study, which was prepared throughout 2020, had the objective to assess the current situation and analyse the potential social and economic impact of Muga on Navarra's socioeconomic development. It reviews a wide range of econometric data and includes analysis and findings resulting from the direct engagement with local authorities, government officials, relevant public institutions and other Muga Mine stakeholders.

The Report can be viewed (in Spanish) on the Company's website:

<https://www.highfieldresources.com.au/social-baseline-study/>

Highfield Resources CEO, Mr Salazar, said: *"We are delighted to read this independent report published by the Government of Navarra and its conclusions about the positive social impact of the Muga Project. We welcome the rigor and energy that went into producing this Study and the proactiveness of the Government of Navarra in undertaking this task early in the process."*

At the same time, we appreciate the endorsement of the Government of Navarra to the contributions of Muga and look forward to working together with the Government, local communities and all interested parties to get the Muga Mine into production for the benefit of all stakeholders."

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

For more information:

Highfield Resources Limited

Ignacio Salazar
CEO
Tel: +34 948 050 577

Olivier Vadillo
Investor Relations
Tel: +34 609 811 257

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

About the Study:

This Study titled "Estudio de Base de Línea Social de Mina Muga" (Social Baseline Study of Muga) was prepared by the Observatorio de la Realidad del Gobierno de Navarra, a department of the Government of Navarra which is responsible for the planning and evaluation of public policies on social services and employment, as well as the analysis of the processes of social transformation and social problems in Navarra.

About Highfield Resources:

Highfield Resources is an ASX listed potash company which focuses on moving its flagship low cost, low capex Muga Project in Spain into the construction phase. Once in production, the Project is forecast to be one of the highest margin potash mines in the world.

The engineering and design work is ready and the Company is currently progressing the last stage of the Mining Concession.

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 276km².

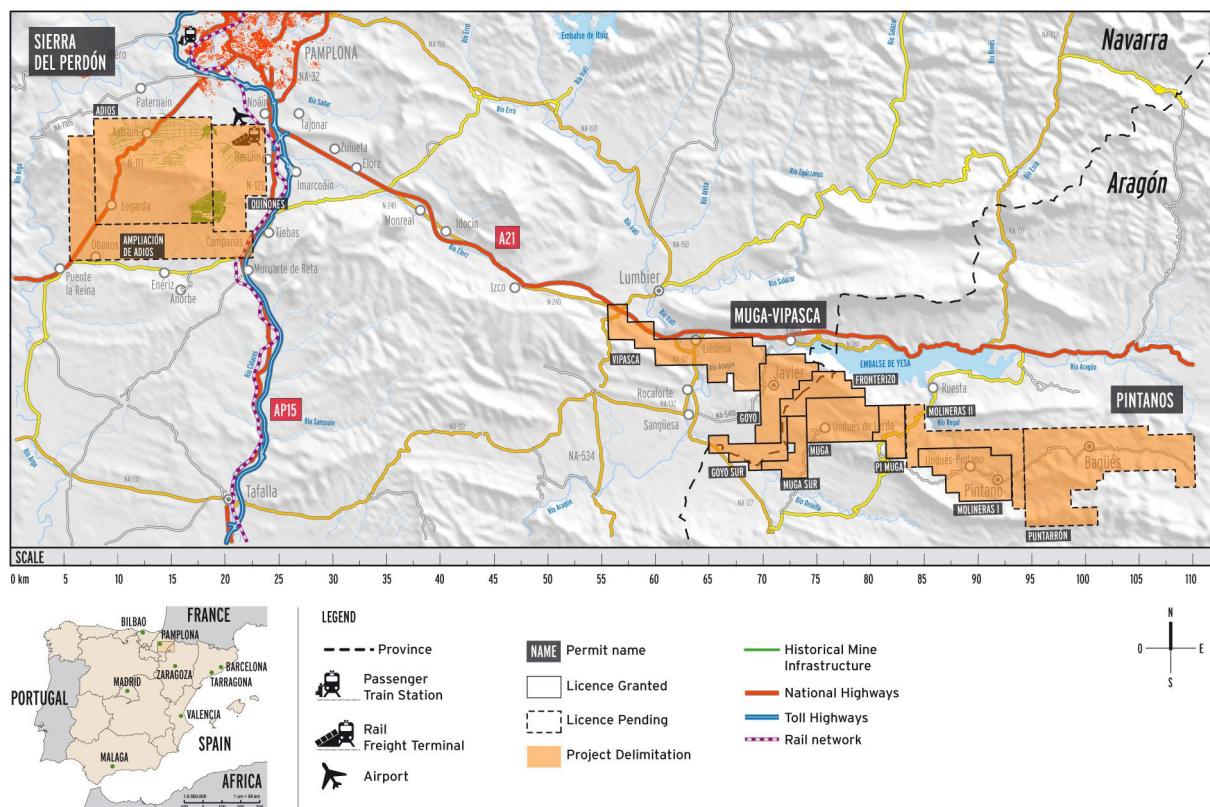


Figure 1: Location of Highfield's Muga-Vipasca, Pintanos and Sierra del Perdón Tenement Areas in Northern Spain