

ASX Release
12 July 2017

MUGA PROJECT ENVIRONMENTAL PERMITTING UPDATE

Highfield Resources (ASX: HFR) (“Highfield” or “the Company”) is pleased to provide the following update with respect to its application to the Ministry of Agriculture, Fishing, Food and Environment (“MAPAMA”) for the environmental permit (“Declaración Impacto Ambiental” or “DIA”) for the Muga Potash Project (“Muga” or “the Project”) in Navarra, Spain.

MAPAMA has followed the normal legal process and requested that the Ministry of Industry, Energy, Tourism and Digital Agenda (“MINETAD”), as the Coordinating Organism, commences a final consultation with interested parties on the documentation submitted to MAPAMA on 28th April 2017. MAPAMA and MINETAD have both advised that the Company’s documentation is of a high standard and has met all of the criteria required for such a submission.

In addition, the Company has elected to open the Project to a period of public exposition. It is intended that the preparation for the exposition period will commence immediately, with the formal process to commence on 1st September, after the European summer holidays.

While there is no legislative requirement for the Company to undertake the second exposition, due to the nature of the Project and the time elapsed since the first exposition, Highfield believes it is important to provide stakeholders with the information related to the Project which formed the basis of the DIA submission on 28th April 2017. It also provides a stronger basis for the authorities to support the award of the DIA.

The local and regional support for the Project is very strong and the Company does not anticipate any new comments or issues to be raised by stakeholders which have not already been answered in detail by the Company.

Following the closure of the exposition period, the Company will work closely with the authorities to expedite the final outcome.

For more information:

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Highfield Resources Ltd.

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Issued Capital

329.2 million shares
41.15 million options
50.0 Performance B Shares

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About Highfield Resources

Highfield Resources is an ASX listed potash company with five 100%-owned projects located in Spain.

Highfield's Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón potash projects are located in the Ebro potash producing basin in Northern Spain, covering a project area of more than 550km². The Sierra del Perdón project includes two former operating potash mines.

The Company completed a Definitive Feasibility Study for its flagship Muga Project in March 2015, which was optimised in November 2015 to enhance operational efficiencies, sales and marketing activities and the life of mine. Highfield is awaiting a positive environmental declaration which will enable it to commence construction of the Mine.

In addition to the existing Muga Project, Highfield also has significant Exploration Targets for an extension to Muga, as well as for the Vipasca and Pintanos Potash Projects.

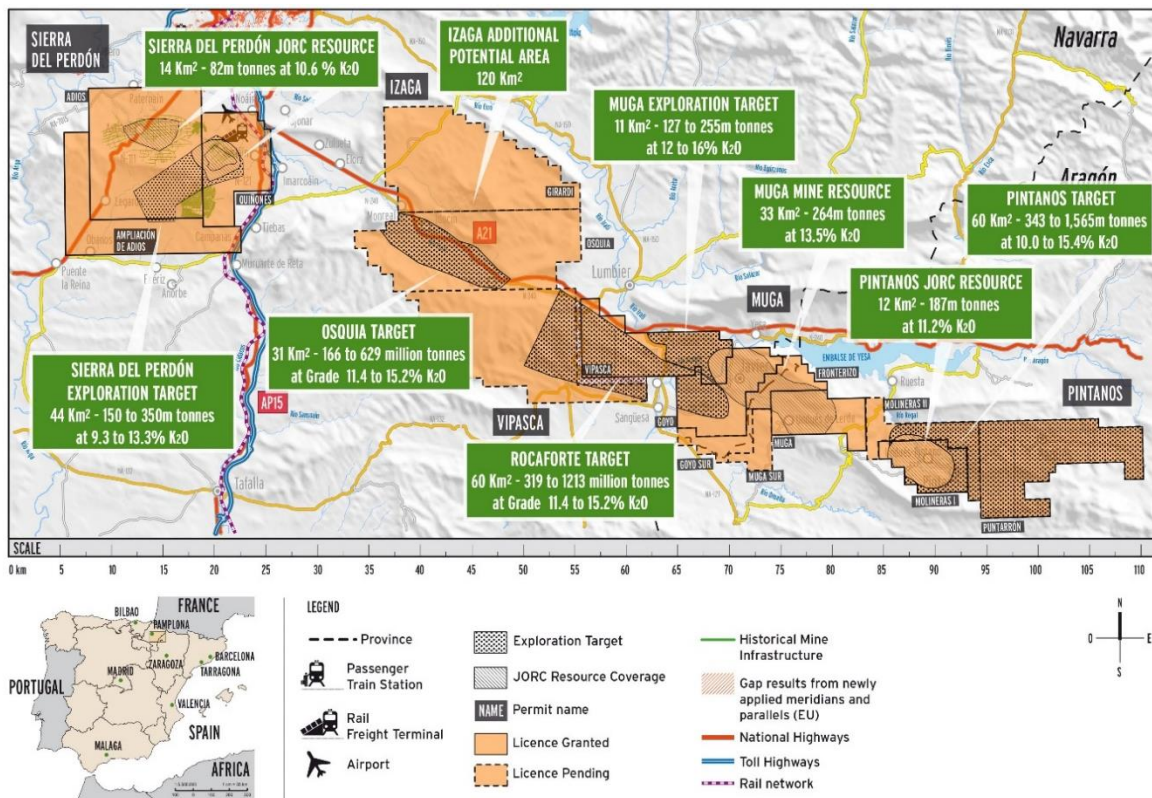


Figure 1: Location of Highfield's Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón Projects in Northern Spain *

*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