

ASX Release
8 March 2018

UPDATE ON MUGA MINE ENVIRONMENTAL PERMITTING PROCESS

The Company is pleased to advise that the two outstanding reports required to complete the formal environmental consultation process have now been received by the environmental authority, the Ministry of Agriculture, Fishing, Food and Environment (“MAPAMA”), in Madrid. These reports are from the Instituto Geologico y Minero de Espana (“IGME”) and from the Ebro river water management authority, Confederacion Hidrografica del Ebro (“CHE”).

The Company has received copies of these reports from MAPAMA and is in the process of completing its response to the comments raised in those reports. It will submit its responses to MAPAMA once complete.

The MAPAMA website confirms that it is in the process of reviewing all documentation received by the Company and the reports received from the various other agencies that submitted comments on the Company’s revised environmental submission of April 2017.

The Company remains confident that MAPAMA will deal with all of the documentation in an appropriate time frame and that a positive environmental permit will be issued in due course.

For more information:

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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 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 permit, the award of the mining concession and other permits 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 SdP, Vipasca and Pintanos Potash Projects.

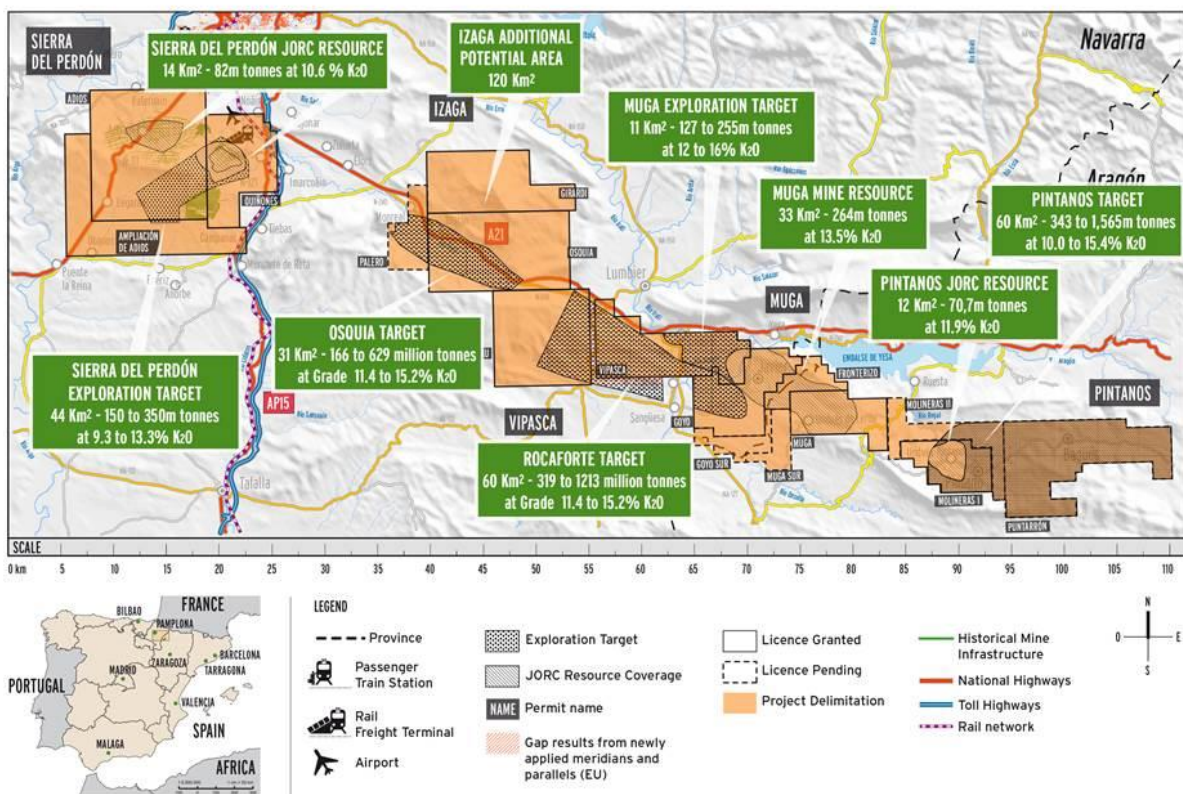


Figure 1: Location of Highfield's Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón Projects in Northern Spain *

**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*