

Corporate Presentation

Highfield Resources
May 2018



COMPETENT PERSON STATEMENT

This presentation was prepared by Mr. Peter Albert, Managing Director of Highfield Resources. The information in this presentation that relates to Ore Reserves, Mineral Resources, Exploration Results and Exploration Targets is based on information prepared by Mr José Antonio Zuazo Osinaga, Technical Director of CRN, S.A.; and Mr Manuel Jesús Gonzalez Roldan, Geologist of CRN, S.A.

Mr José Antonio Zuazo Osinaga is a licensed professional geologist in Spain, and is a registered member of the European Federation of Geologists, an accredited organisation to which Competent Persons (CP) under JORC 2012 Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, Ore Reserves or Exploration Targets through the ASX.

Mr José Antonio Zuazo Osinaga has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as CP as defined in the 2012 edition of the JORC Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr. José Antonio Zuazo and Mr. Manuel Jesús Gonzalez Roldan consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This presentation includes certain 'forward looking statements'. All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements.

Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not assume any obligation to update any forward looking statement.

Highfield Resources Limited

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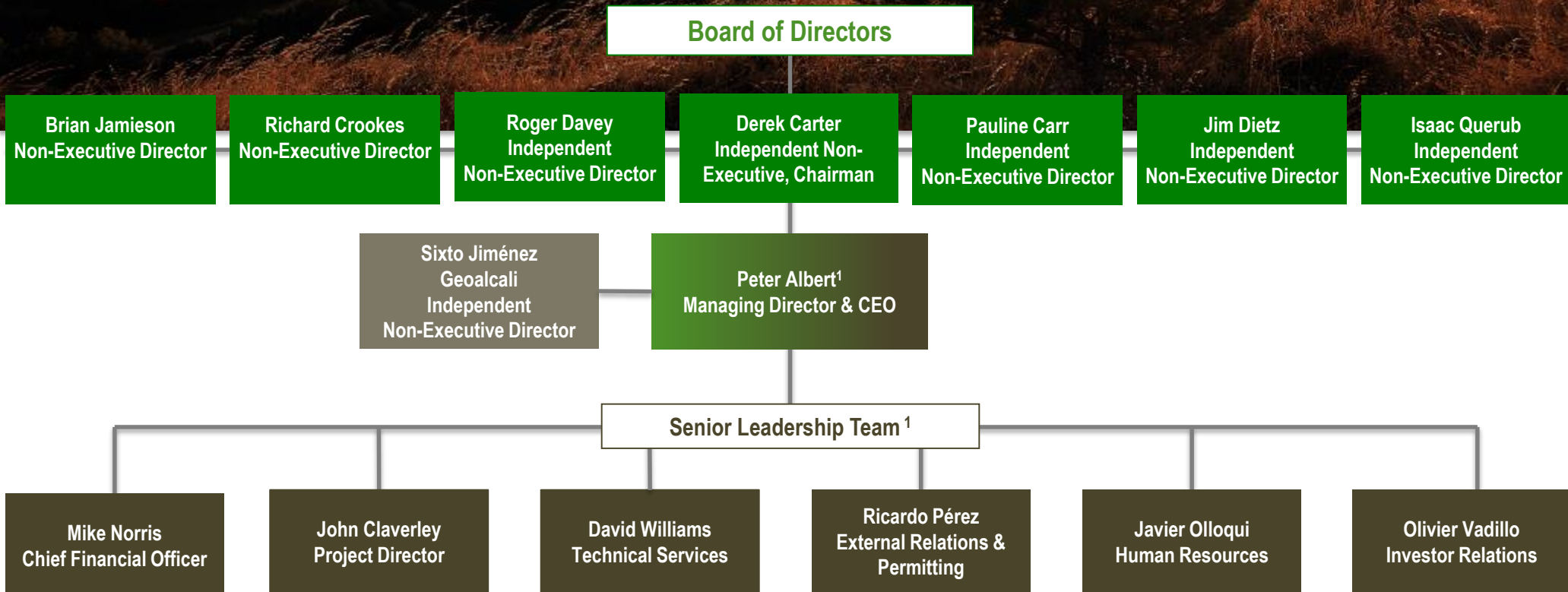
1. Corporate Summary

Equity	
Ordinary Shares on Issue	329.4m
Options	50.8m
Fully Diluted	380.2m
Undiluted Market Cap at A\$0.87 (14/05/2018)	A\$286.6m
Cash as at 31March 2018	A\$64.9m
Enterprise Value	A\$221.7m / EUR€139.7m¹
Average Daily Volume (6 months)	~150,000
Shareholders (Fully Diluted)	
Spanish in-country management	4%
Board	4%
EMR Capital	28%
Other Shareholders	64%
Total	100%


¹ EUR:AUD exchange rate 0.63:1.00

2. Board and Senior Management

Board and Senior Management experienced in construction and operations



3. Vision and Core Values

“To build a successful, sustainable, potash business with respect for stakeholders and the environment”

Commitment

We are committed to best practices in health and safety, the environment, and the communities in which we operate.

Respect

To act and communicate collaboratively with transparency, sincerity and an understanding of cultural diversity.

Excellence

We are committed to best practices in health and safety, the environment, and the communities in which we operate.

Attitude

To uphold the highest standards in regards to ethical performance, honesty, integrity, fairness and equality with all stakeholders.



Compromiso Respeto Excelencia Actitud

CREA

Commitment Respect Excellence Attitude

4. The Muga Mine Overview

Key advantages of Highfield's flagship potash project



01

Easy access to first-world infrastructure, power, roads, ports, etc.

02

Qualified and available local labour market

03

Site situated on marginal farmland allowing for minimal environmental impact

04

No required resettlement

05

Shallow mineralisation with no aquifers

06

Conventional underground mining and processing

07

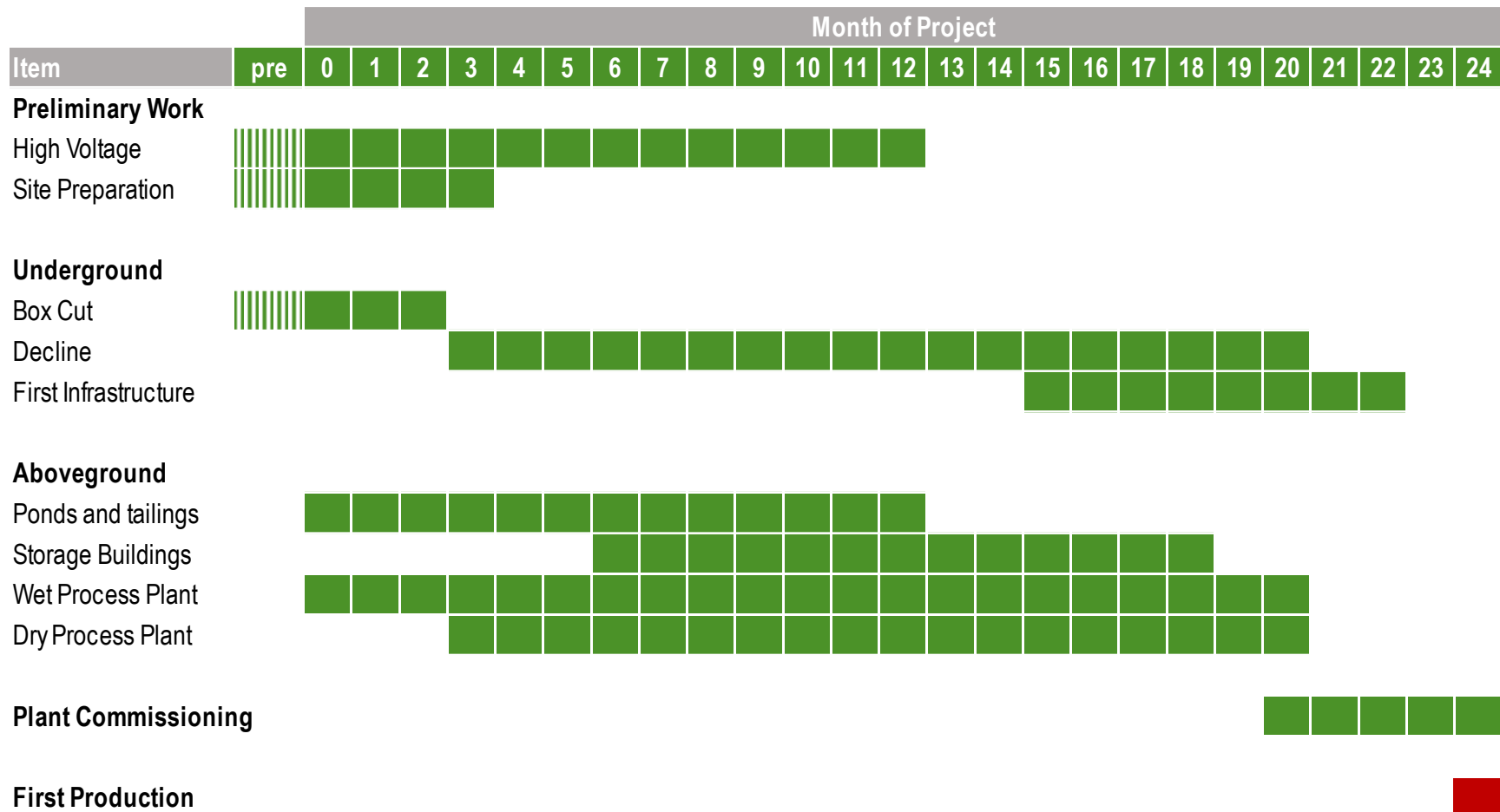
A short development timeline

08

Strategic location for potash market, making Muga a high margin potash producer

5. Timeline to production and key milestones

Construction and commissioning – 2 years from commencement of construction



6. Location and Flexibility of Muga

Low delivered cost and production flexibility make Muga a high margin potash mine

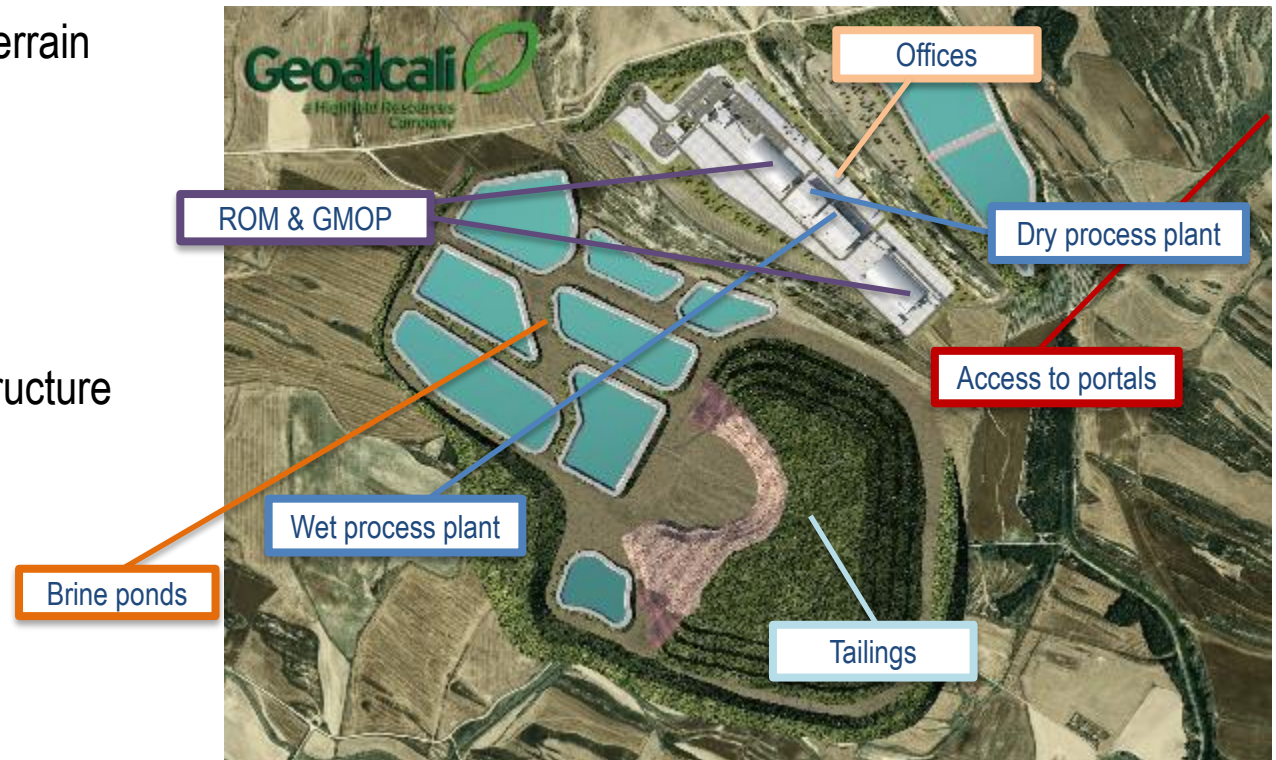
- **Location flexibility:** Proximity to ports and world class motorways
 - Proximity to local and domestic customers
 - Proximity to export port (< 150km)
- **Product flexibility:** GMOP & SMOP products
- **Low delivered Costs:**
 - No royalties
 - Low sustaining capital cost
 - Low ongoing SG&A cost due to location



7. Strategic Location Advantage

Minimal impact

- Marginal farm land with natural terrain features, allowing low impact development
- Compact site development
- Close to world class local infrastructure – roads, ports and power



8. Muga's Competitive Position



Simple Mining

Decline access to
shallow mineralisation
Underground Room and
Pillar mining
No aquifers
Local labour pool

Proximity to Local Markets

Located in a potash
consuming region
Good access to the
large Brazilian, North
African and US markets

First Class Infrastructure

Direct connection to
national electricity grid
Close to port and access
to road systems

Conventional Processing

Sylvinite ore
Flotation and small
crystalliser

9. Progress to Date

Recent Muga Milestones

**01****02****03****04****05**

Drilling an incline geotechnical drill hole directly in line with the proposed mine access declines started in May 2018.

Hydrogeological drilling and detailed water pumping tests to confirm mine water inflow rates and estimate borehole capacity for water make-up requirements

Construction preparations with the recent award of the conveyor design and construction package to a Spanish company as well as tendering the detailed engineering for other packages of work and updating vendor quotations

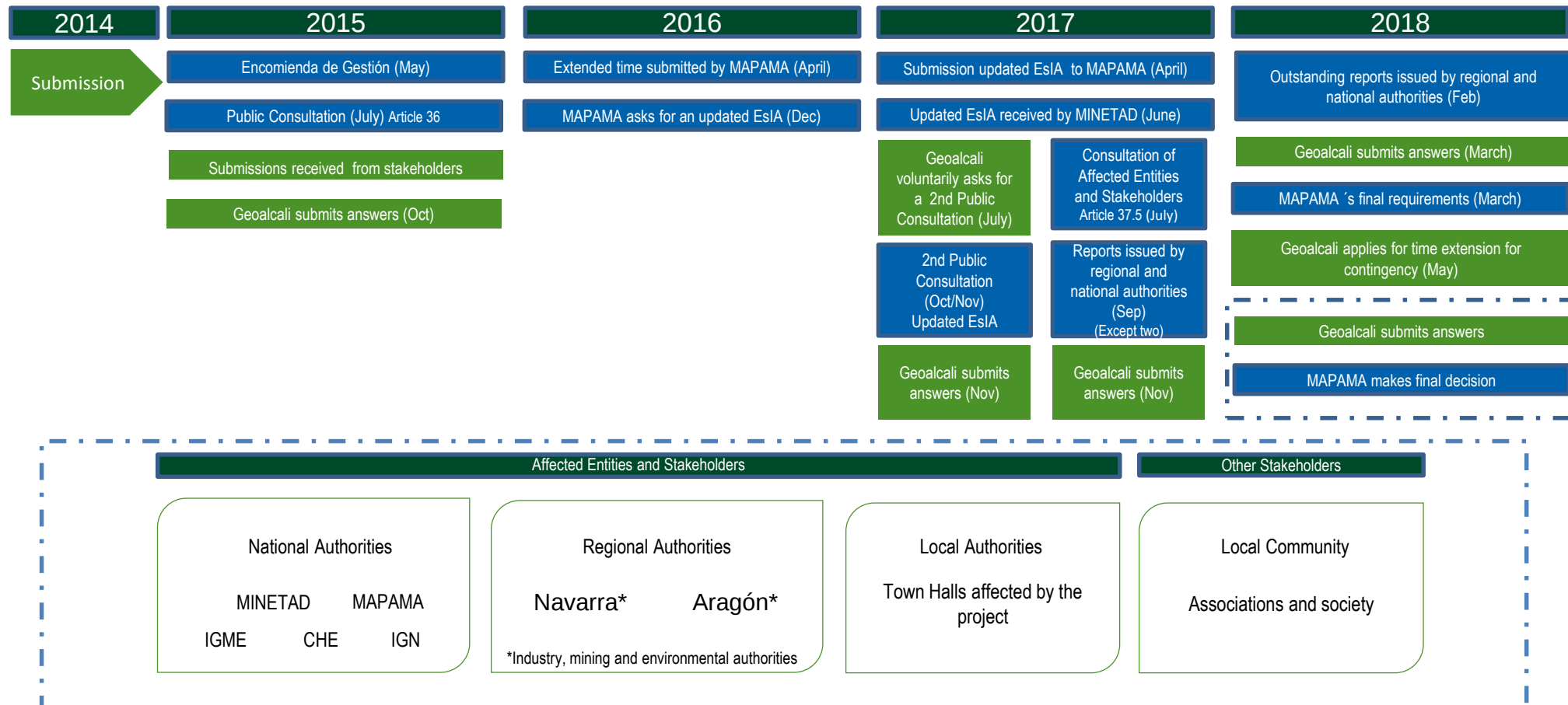
Project optimisation activities ongoing

- Mine
- Process plant

Revised capital numbers expected in Q3 2018

10. Permitting Process Overview

Permitting process is continuing to follow standard procedure



10. Permitting Process – Current Steps



Environmental permitting process moving towards conclusion

Submitted full document to MAPAMA (April 2017)

- Full environmental study
- Full technical study
- Full social impact study

Reports from all relevant parties (January 2018)

MAPAMA requested clarification on only three points: (March 2018)

- Seismicity
- Subsidence
- Salt

Plan to submit document mid June

45 day extension applied for as contingency to mitigate risk

MAPAMA to finalise process

10. Permitting Process – Next Steps

Environmental permitting process moving towards conclusion

Mining Concession

- Following a positive DIA the Department of Mines can consider the award of the Mining Concession (CE)
- Timeline: estimated 3-6 months after DIA award

Construction Permits

- Town Halls
- Water Authority
- Power connection and lines
- Roads
- Building permits
- Timeline: estimated 6-12 months after DIA award

The Company continues to remain confident of receiving its DIA , Mining Concession and constructions permits

11. Implementing our Sustainable Strategy

A sharp focus on ESG factors to secure a long term investment



Community involvement

- Over 93% of feedback received has expressed that this project will bring benefits to the region.
- Over 100 initiatives with town halls, social associations, foundations and scientific/agricultural organisations
- Mayors have publicly expressed their support

Setting an example

- Forética, the most important sustainability institution in Spain has recognised the Community Communication Plan of Geoalcali as an example of best practice in transparency and stakeholder management
- Voluntary Official Consultation Process undertaken as a commitment to transparency and open communication in order to provide a stronger basis for the environmental permits and social license
- Geoalcali has been invited to forums as a best practice example in social management by local and national government entities

11. Implementing our Sustainable Strategy

Local stakeholder engagement is key to a successful project



Mayors of the region and Company representatives



Open Doors Event – October 2017



The Company welcomed over 200 persons from local communities



Working sessions, information talks, and site visits to explain the project to all our local stakeholders



"Mentoring" talks on mining to schools in the region with special focus on equality & diversity

11. Implementing our sustainable strategy

Supporting the local community



Open Day, Sangüesa, October 2017

Social Development

Creating an industry and direct employment for the long term
Creating indirect employment in multiple supporting industries
Continue to invest in community initiatives surrounding the project

Safety

Developing a strong safety first culture within our work force
Focus on zero harm to both workers and surrounding environment

Sustainable Economic Development

Creating quality employment with a preference for local employees and contractors
Become a significant employer in the region

Minimise Environmental Impact

Core focus on minimising risk and environmental impact surrounding the project area
EsIA completed in compliance with industry best practice, Spanish legislation, IFC's guidelines and Equator Principles
Implement robust and appropriate ongoing monitoring and response plans

12. The Rehabilitation Plan

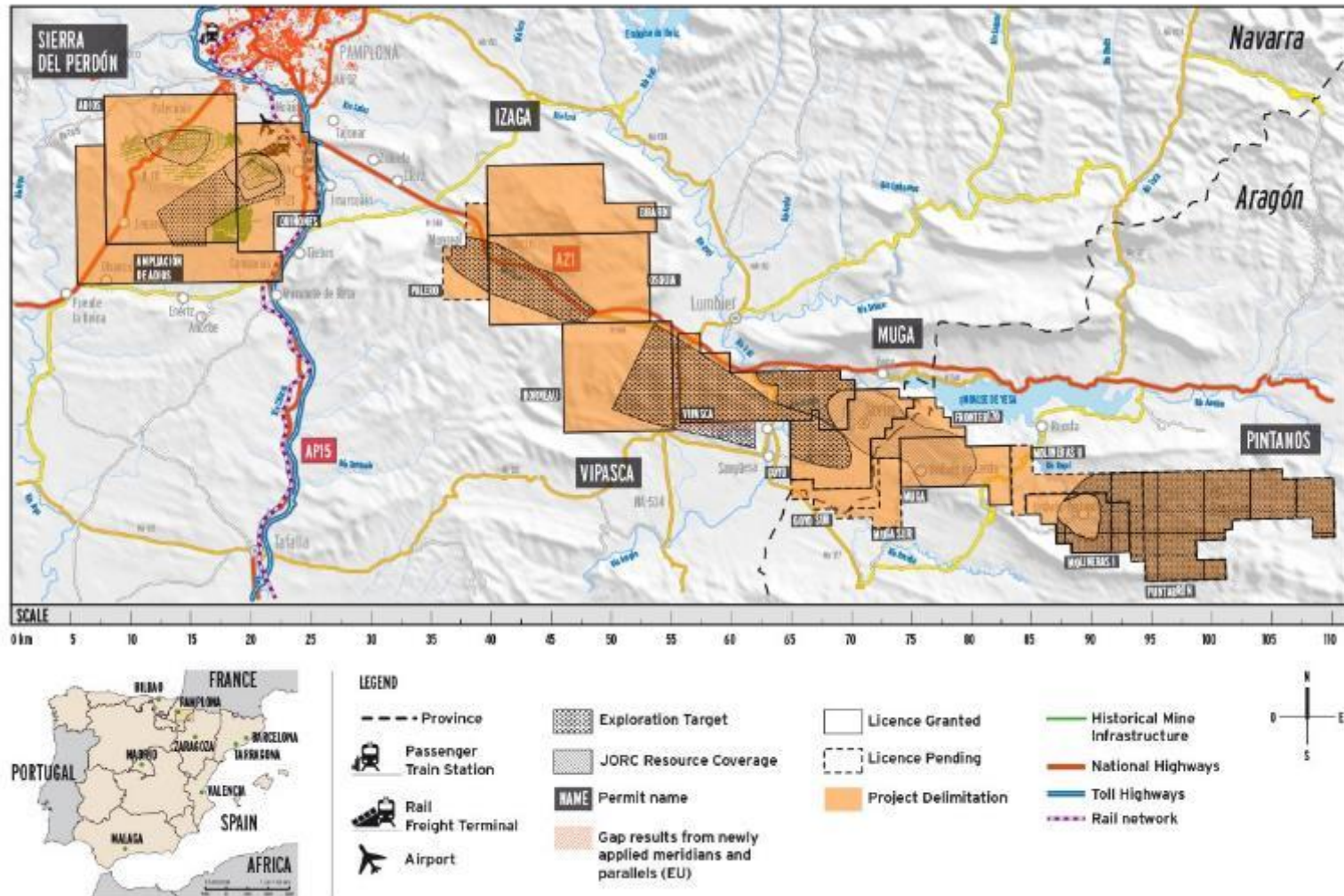
Minimise environmental impact

- Restoration plan designed to progressively reinvigorate the project site during and after mine operations
- Salt by-product sold and/or residue placed underground
- Zero salt on surface at the end of planned mine operations



13. Upside Potential – Other Projects

Basin of projects with shared characteristics of Muga Potash Mine



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

13. Upside Potential – Short Term



01

SOP Project

Converting Muga MOP to SOP creating downstream value

Good access to US market, strong implied margins to Highfield

02

K62

Improving potash purity to generate a higher value product

Study contemplated production of 135ktpa of K62 MOP and 260ktpa of high purity vacuum salt

03

Muga Extension

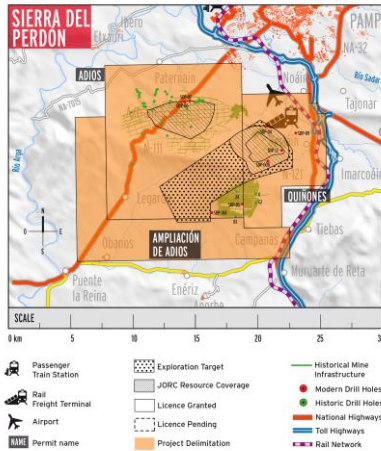
Potential opportunity to expand Muga beyond 1Mtpa potash output

13. Upside Potential – Long Term

Potential Development of Other Resources

01

Sierra del Perdón

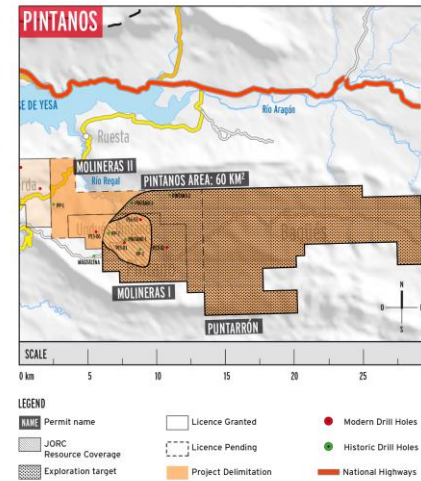


Further exploration drilling programme commenced on 7th April 2018

Decline access to underground with flotation processing

03

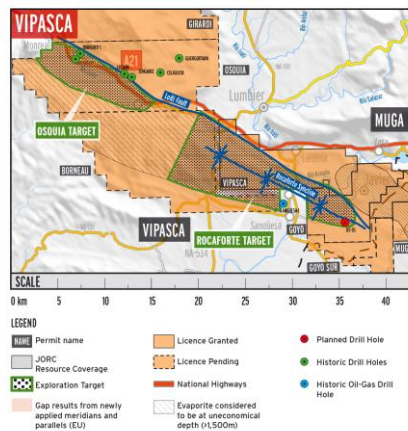
Pintanos



Upside potential similar to current Muga Project Resource and Mine Reserve

02

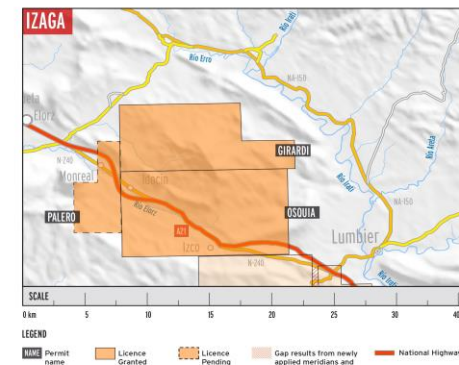
Vipasca



Permit contiguous with Muga and shares many characteristics

04

Izaga



Grass roots exploration tenement

Clear continuation of evaporitic sub basin

Historical drilling encountered potash horizons within evaporite

15. Summary – Muga

Given all the positive aspects, Muga is considered a high margin mine



- A number of improvements and project optimisation activities ongoing
- Bringing forward backfilling and salt treatment from Phase 2
- Revised process plant, increase in contingency allowances and other changes will see project capital cost estimate revision
- Revised capital numbers expected in Q3 2018
- Given Muga's strategic location and relatively low capital cost the project is expected to be very competitive compared to peer operators and developers

15. Summary – Highfield

Well funded with significant long term upside



Funding

- Over €40.81 (A\$64.9) million in the bank¹ – as at 31/03/2018
- Supportive project finance syndicate for facility to support construction
- Multiple equity participation avenues

Upside potential with an outstanding portfolio of projects

- SOP, K62, Muga expansion, wider basin development

15. Summary – Highfield

Well funded with significant long term upside

Low capital cost to production

Very strong community and local government support

High margin driven by technical factors and project location

Experienced team of mine builders and operators, for example:

Peter Albert – over 35 years' experience in building and operating mines globally

David Williams – 35 years experience in potash mining (UK and Canada)

Jim Dietz (NED) – more than 10 years as COO of PotashCorp

Brian Jamieson (NED) – over 40 years' experience in the manufacturing, finance and resources industries

Roger Davey (NED) – over 40 years' experience in international mining and mining finance industry

Advancing environmental and then development permits to commence construction

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