

Constructing the Next European Potash Mine

Corporate Presentation | July 2021

COMPETENT PERSONS STATEMENT FOR MUGA POTASH PROJECT

This presentation was approved by Mr Ignacio Salazar, CEO of Highfield Resources. The information in this presentation that relates to Ore Reserves is based on information prepared by Dr Mike Armitage, the Chairman of SRK Consulting (UK) Limited. Dr Mike Armitage is the Competent Person who assumes overall professional responsibility for the Compliance Opinion. The information in this presentation that relates to Mineral Resources, Exploration Results and Exploration Targets is based on information prepared by Ms Anna Fardell, Senior Consultant at SRK Consulting (UK) Limited, and Mr Tim Lucks, Principal Consultant at SRK Consulting (UK) Limited.

Dr. Mike Armitage is employed by SRK Consulting (UK) Limited. The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled under the direction of Dr. Mike Armitage, who is a Member of the Institute of Materials, Metals and Mining (“IMMM”) which is a ‘Recognised Overseas Professional Organisation’ (“ROPO”) included in a list promulgated by the Australian Securities Exchange (“ASX”) from time to time.

Dr. Mike Armitage 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 a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’.

Dr. Mike Armitage consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Ms. Anna Fardell is a Resource Geologist employed by SRK Consulting (UK) Limited and has at least five years’ experience in estimating and reporting Mineral Resources relevant to the style of mineralisation and type of deposit described herein. Ms. Fardell is a registered member of the Australian Institute of Geoscientists (6555) and considered a Competent Person (CP) under the definitions and standards described in the JORC Code 2012.

Ms. Anna Fardell consents to the inclusion in this presentation of the matters based on her information in the form and context in which it appears.

COMPETENT PERSONS STATEMENT FOR MINERAL RESOURCES AND EXPLORATION TARGETS OTHER THAN MUGA MINERAL RESOURCES.

This presentation was approved by Mr Ignacio Salazar, CEO 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 this 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.

An Investment Opportunity in the Next Major European Potash Mine

Muga Potash Mine

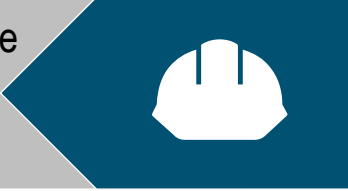
Highfield Resources

Strong market fundamentals
Global potash prices on the move



Strong financial position and
financial markets support

Location is a major strategic advantage
Shallow mineralization
Infrastructure in place



Experienced Management and
Board

Low capex intensity per tonne



Strong local support

Forecast to be one of the highest
margin potash mines globally



Top environmental credentials

Moving up in project life cycle



Upside growth opportunities

Corporate Snapshot

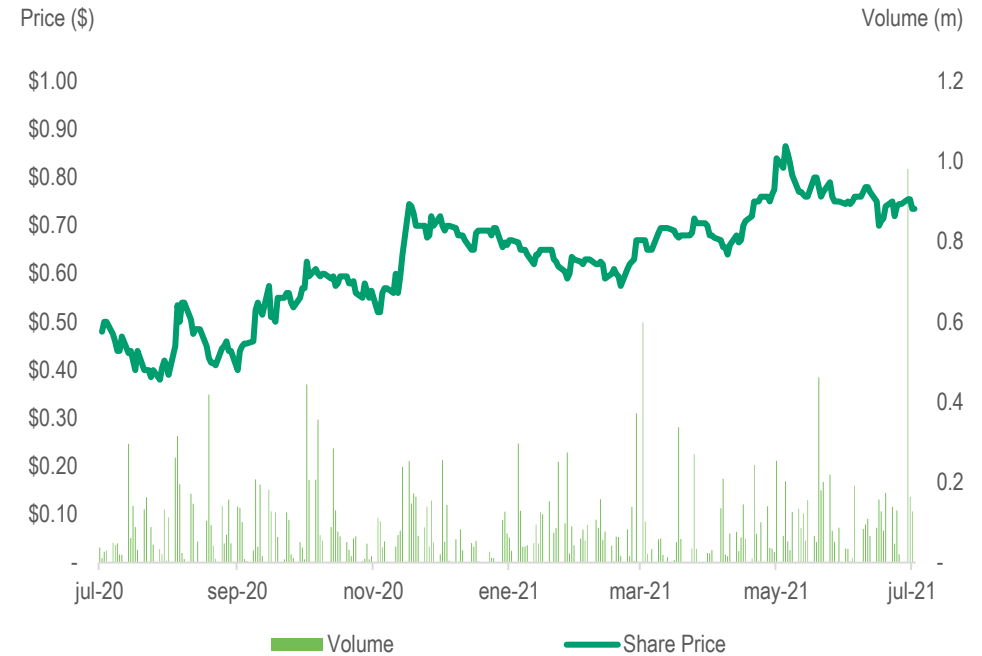
Capital Structure

Share Price (7 July 2021)	\$0.735
Shares on Issue	329.6 million
Options & Performance Rights	-
Market Capitalisation	\$242.3 million
Cash (31 March 2021)	\$15.8 million
Drawn Debt*	-
Enterprise Value	\$226.5 million

*Note: Debt of €185 million previously approved by leading European banks. Work ongoing with Endeavour financial for updated debt package

Major Shareholders

	%
EMR Capital	31.6%
WWB Investments	6.1%
Australian Super	5.1%
Top 20 Total	59.7%



Milestones Achieved

Permitting

Mining concession received on 1 July 2021

Engineering

Detailed design engineering prepared and ready

**Sales and
Marketing**

Non-binding MOUs representing more than Phase-1 production capacity for potash and salt have already been signed

Corporate

Endeavour Financial appointed and finalising financing strategy

Why Highfield Resources ?

Shallow Mineralization, Conventional Mining, with Tier-One Infrastructure in Place



Decline access to shallow mineralization; underground Room and Pillar mining. No aquifers



Close to the Port of Bilbao (~220km), Spain's largest port



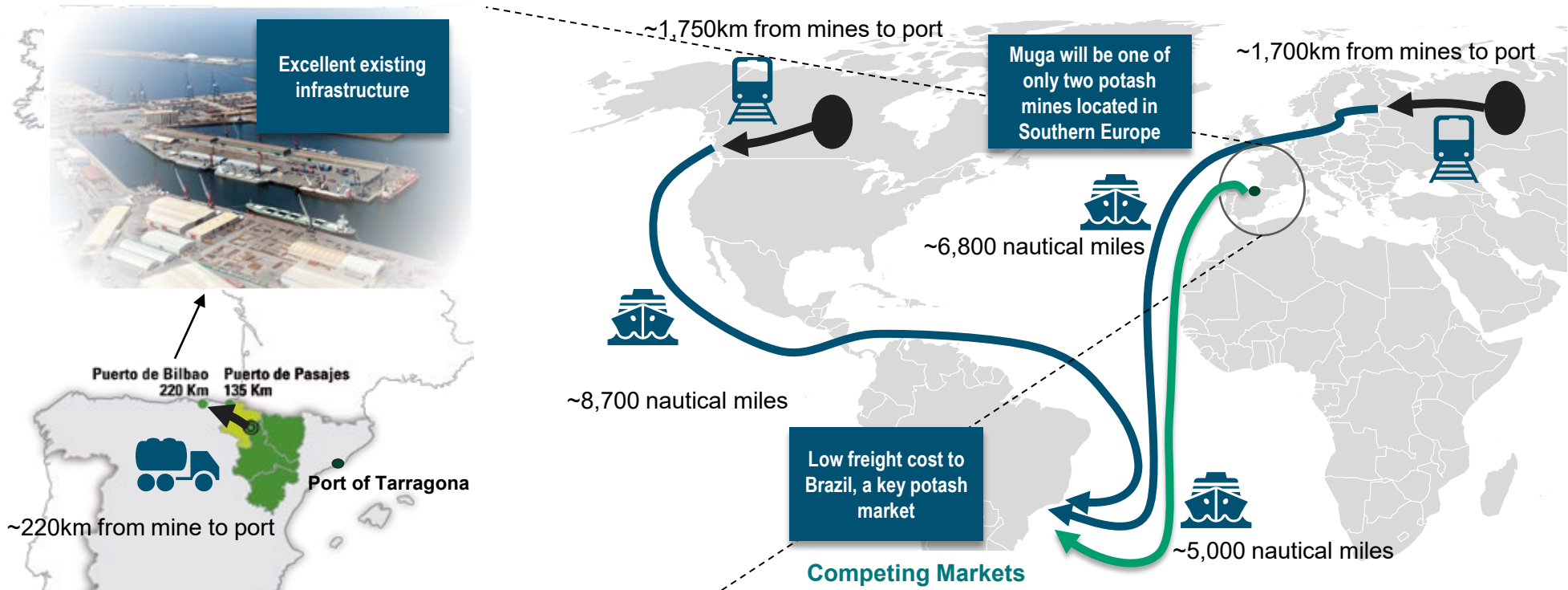
First class infrastructure and access to new road systems



National Electricity Grid Substation is in close proximity to mine site

Significant Logistical Competitive Advantage

Extremely competitive and versatile export options



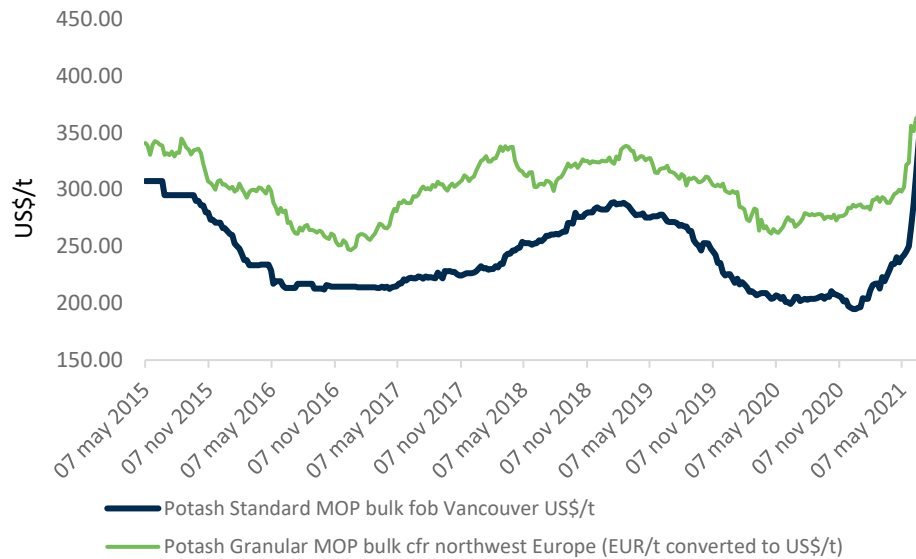
Easy access to premium southern European market where product can be competitively trucked directly to customers in France and Spain

Competing Markets

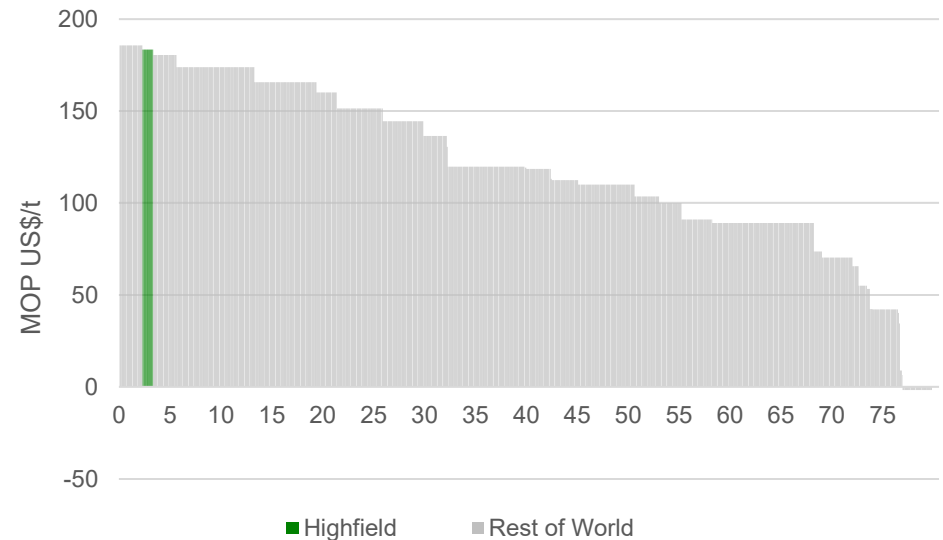
Country of departure	Time to port	Destination (Shipping Days)	
		Brazil	West Europe
Spain	~2h	18	-
Germany	~3h	21	-
Russia/Belarus	~2-3 days	26	5
Canada West Coast	~3 days	43	35

Top Quartile Margins in the Industry

European prices continue to trade at a premium to other markets



Margin curve forecast for 2024 (real US\$)



Mine location provides exposure to significantly lower potash delivery rates to European market, meaning higher netbacks at mine gate

Low costs and higher netbacks at mine gate position the mine as potentially one of the highest margin potash mines globally

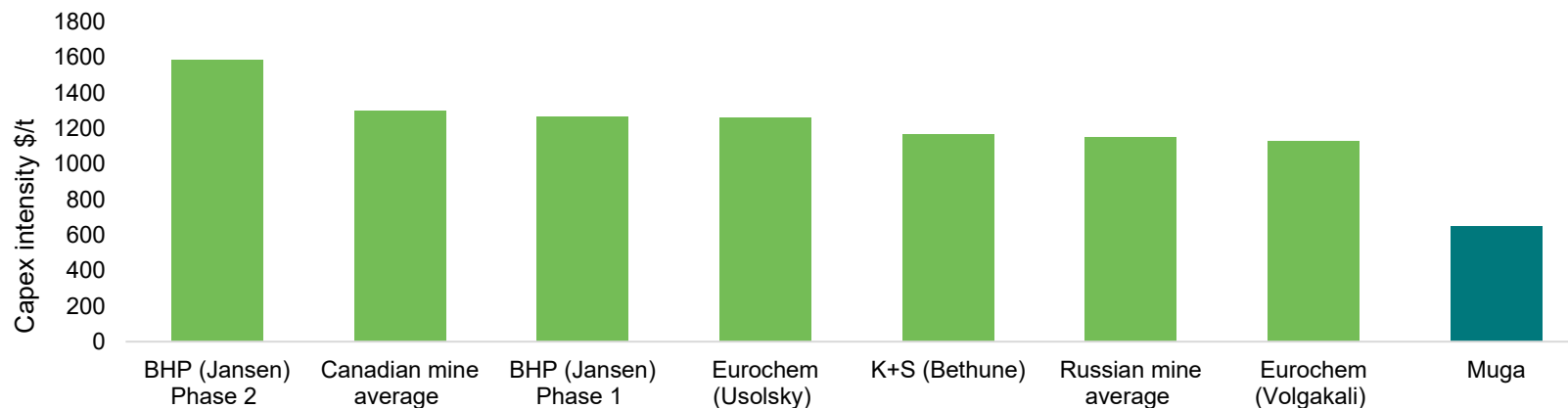
Source: Argus Media, CRU, Highfield Resources., ASX Release 14 October 2019

The Company confirms that all material assumptions underpinning these figures, in-line with the initial public report released on 15 October 2018 (refer ASX release "Muga Project Update"), the Quarterly Report Published on 14 October 2019 and the clarification document released on 21 November 2019 (refer ASX release "Further Clarification – Muga Project"), continue to apply and have not materially changed.

Low Capex Intensity and Strong Project Economics

Phase 1 capex of €368 million + Phase 2 capex of €208 million

MUGA: HALF THE CAPEX INTENSITY OF OTHER GLOBAL DEVELOPMENT PROJECTS (US\$ per tonne of potash)



Source: Company Websites, Highfield Resources

Compelling financials, with an NPV₈ of €1.97 billion, IRR 25% and EBITDA of €310 million per annum at full production

Muga Mine – Key Physicals and Financials

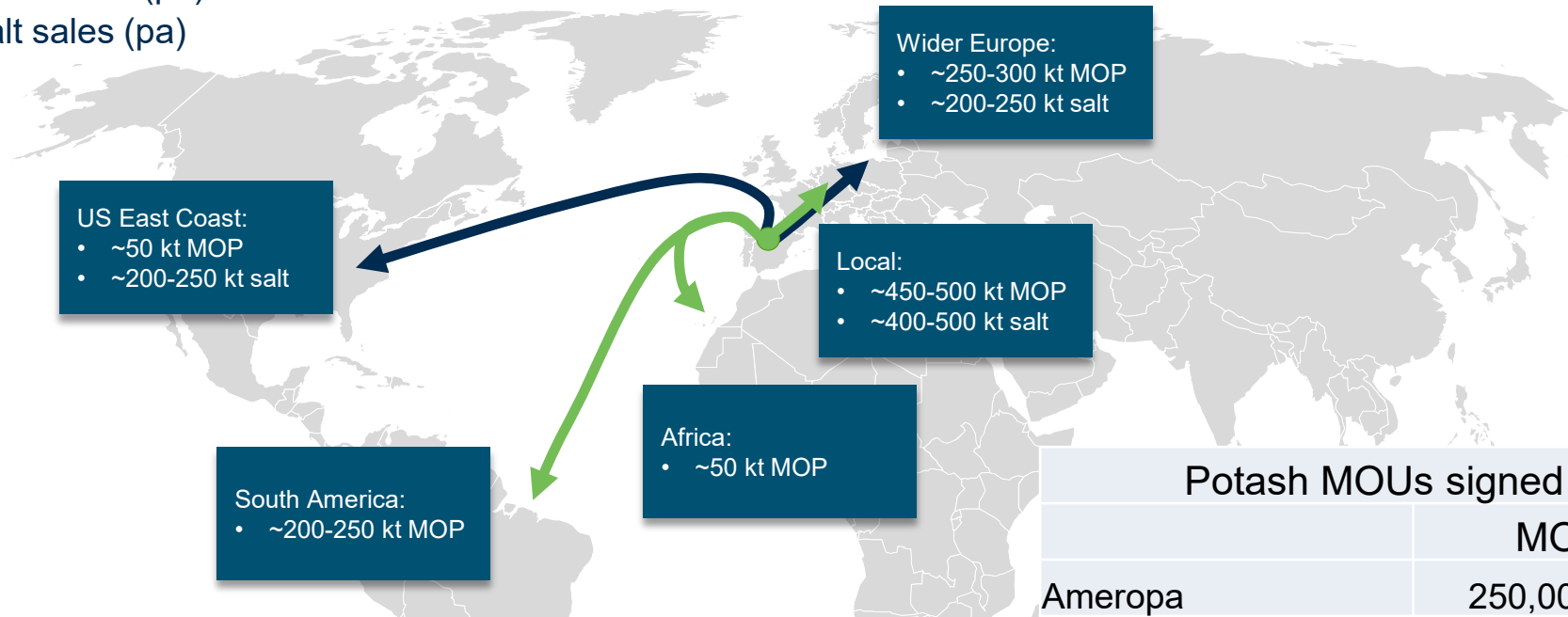
	14 October 2019
CAPEX phase 1 (500,000 tpa MOP)	€368 million
CAPEX phase 2 (Additional 500,000 tpa MOP)	€208 million
Total CAPEX	€576 million
ROM tonnes	179.8 million tonnes
Average plant tonnage feed rate	400 tph
K ₂ O grade	10.7%
KCl recovery	94%
LOM MOP production ¹	30.1 million tonnes
LOM MOP average potash prices for first 20 years of MOP production ¹	€378/t
Foreign exchange Euro:USD	1:1.09
De-icing salt production	11.4 Mt
Vacuum salt production	15.2 Mt
C1 cost (€/t)	€82/t
Tax rate (Navarra)	28%
Life of mine	30 years
NPV ₈	€1.97 billion
IRR	25%

¹ Cautionary Statement. The production targets set out in this update is derived from Muga Proved and Probable Ore Reserves and Inferred Mineral Resources from the Muga tenement as well as the Exploration Target at the Vipsasca tenement. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised. The technical parameters underpinning the target in the market announcement dated 19th June 2015 continue to apply and have not materially changed.

The Company confirms that all material assumptions underpinning these figures, in-line with the initial public report released on 15 October 2018 (refer ASX release "Muga Project Update"), the Quarterly Report Published on 14 October 2019 and the clarification document released on 21 November 2019 (refer ASX release "Further Clarification – Muga Project"), continue to apply and have not materially changed.

Sales Strategy

- ➔ MOP sales (pa)
- ➔ Salt sales (pa)



Potash MOUs signed	
	MOP
Ameropa	250,000 tpa
Keytrade	300,000 tpa

Salt MOUs signed		
	Vacuum	De-icing
Cargill	-	1,000,000 tpa
Maxisalt	400,000 tpa	100,000 tpa

- ✓ Sales & Marketing Strategy well advanced
- ✓ A high level of interest in the mine with MOUs signed for more than phase 1 production
- ✓ Salt sales will convert potential environmental liability into commercial opportunity
- ✓ Africa & Brazil provide key future growth areas for potash demand

Key project milestone timeline

2021		2022				2023				2024	
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2

Pre-Construction

Contract with construction partner

Finalise procurement of lead items and start construction of the bolter miner

Local town hall construction licenses

Financing

Reconfirm debt credit approval

Finalise funding package

Construction

Early works and above ground installations

Process plant

Ramps and underground galleries

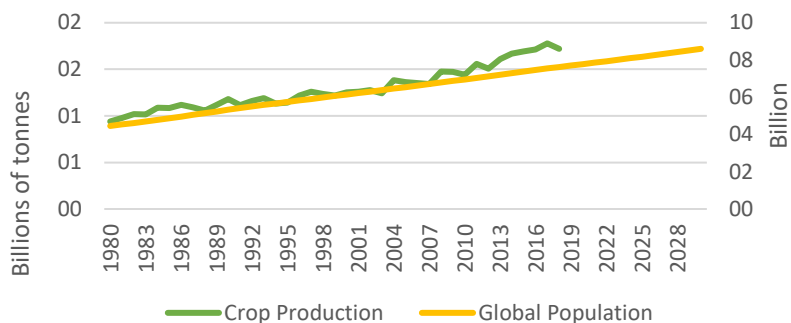
Production

Operational readiness

Appendix

Global Potash Prices on the Move at the Right Time

Strong market fundamentals

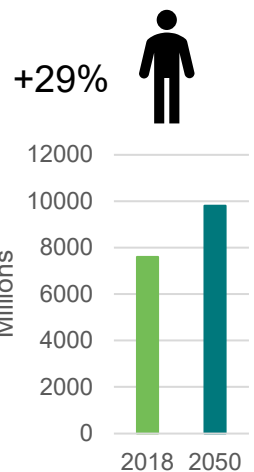
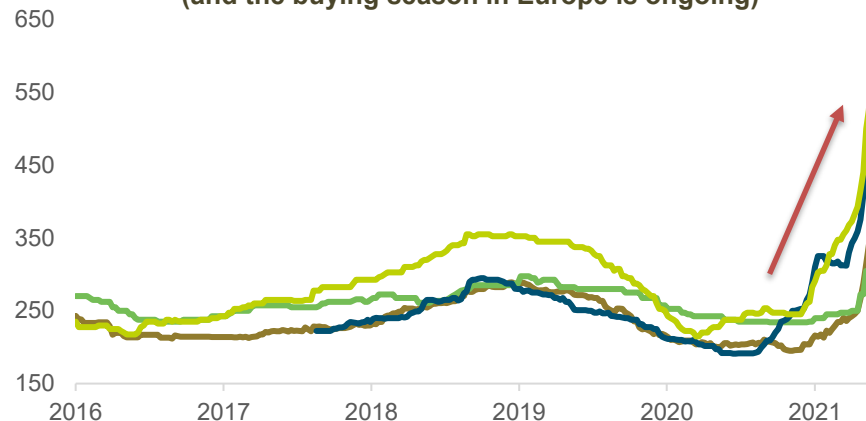


Upward price forecasts

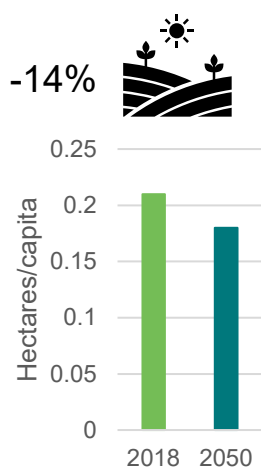
Soybean prices are the highest in 5 years



Potash prices are increasing rapidly (and the buying season in Europe is ongoing)



World population



Arable land per capita

Source: UN FAO

SMOP fob Vancouver USD/t | GMOP cfr northwest Europe Euro/t
GMOP fob New Orleans barge USD/st | GMOP cfr Brazil USD/t

Source: Argus Media

Strong Board with Global Mining Industry Experience and Robust Governance Processes



Richard Crookes
Independent
Non-Executive Director
Chairman

Richard has over 30 years of experience in the resources sector. He worked as Chief Geologist and Mining Manager for Ernest Henry Mining in Australia (now Glencore). He has been Executive Director for the Energy Metals Division of Macquarie Bank and Investment Director for EMR Capital.

Pauline Carr
Independent
Non-Executive Director

Pauline has over 30 years of resources sector experience. She has occupied senior and executive positions for Newmont Asia Pacific and Normandy Mining Limited and has worked for a number of years in the petroleum and gas sector with Exxon Mobil.

Isaac Querub
Independent
Non-Executive Director

Isaac was the CEO of Glencore Spain, and Partner of Andria Real Estate Investments, Incogas and Moka Consulting. He was a member of the Board of Asturiana de Zinc and currently he is a member of the board of various European mining companies.

Roger Davey
Independent
Non-Executive Director

Roger was a Director, Vice President and GM of Minorco (AngloGold) subsidiaries in Argentina. More recently he was Senior Mining Engineer in the project finance team for NM Rothschild Mining and Metals. Roger is experienced in operating in Spain as the Chairman of Atalaya Mining and has considerable knowledge of start-up mines around the world.

Brian Jamieson
Non-Executive Director

Brian was on the Board of Oxiana for 10 years and assisted Owen Hegarty in developing that company into a major mining house. Brian has over 40 years' experience in the advisory, manufacturing, resources and technology industries in Australia and offshore and is experienced in developing exploration-focused companies into producers.

Experienced and capable management team



Ignacio Salazar
Chief Executive Officer

Ignacio has over 30 years' experience, most of which have been in the resources sector. His outstanding international career includes 18 years working with Royal Dutch Shell and 12 years with Orosur Mining Inc. including seven years as CEO. Ignacio joined HFR as CEO in July 2020

Mike Norris
Chief Financial Officer

Mike was Finance Director of Avocet Mining, a gold producing company listed on the London Stock Exchange. He was Head of Business Performance for Industrial Minerals at Anglo American, and CFO at two Rio Tinto mines in the USA.

Ricardo Pérez
External Relations & Permitting

Ricardo has over 20 years of experience in the management of investment firms, leading investment processes in companies, fundraising and strategic consulting. He is an active member of various companies' boards of directors. He has international experience facilitating the integration of companies from different countries and their commercial expansion.

Javier Olloqui
Human Resources

Javier has over 25 years of experience in Human Resources management, nationally as well as internationally, for companies such as Aludium, Gamesa Eólica, Faurecia, Mondragón Group and 3P Biopharmaceuticals.

Leonardo Torres-Quevedo
Project Construction Director

Leonardo is a mining engineer with more than 20 years' experience in project management focused on large construction projects in Spain. Prior to becoming an employee of the Company, he worked for 9 years at Bovis Project Management where he spent the last 2 years working on the Muga.

Olivier Vadillo
Marketing and Investor Relations

Olivier has more than 15 years professional experience in strategic consultancy. He has worked for companies such as Wood Mackenzie and Deloitte where he developed business strategies and financial models. Previously he was Head of Metals and Mining Research Asia for Wood Mackenzie in Sydney.

Industry Leading ESG Credentials



Environmental Factors

- ❖ Environmental compliance and commitment through DIA award
- ❖ Progressively rehabilitate mine: Backfilling and salt sales
- ❖ Muga will be the only mine not to leave residue on the surface after production



Social Factors

- ❖ Strong local support in favour of the Muga Project
- ❖ Qualified and available local labour market (+4000 CVs received)
- ❖ 100+ foundation initiatives already invested in the community



Governance Factors

- ❖ Robust governance and strong focus on responsibility and ethics
- ❖ Admitted as a signatory to the UN Global Compact initiative
- ❖ Adherence to rigorous ASX and EU disclosure and reporting obligations

Recognition for Commitment to Health, Safety and Social Responsibility

Bonus 2018

A health and safety recognition for having a low accident rate

¡Enhorabuena!
Vuestra empresa merece
el "bonus"



Desde Mutua Navarra queremos felicitaros por poner en marcha iniciativas que promuevan una cultura de empresa más saludable. Invertir en prevención es siempre rentable. Ya has acordado la máxima de la salud. Sigue mejorando.



Member of Ecodes' Climate Action initiative

www.poreclima.es

Reconociendo el desafío climático que tenemos por delante

Geoalcali

se compromete a llevar a cabo un plan de acción para la reducción de sus emisiones de gases de efecto invernadero, y a formar parte de la **Comunidad #PorElClima**, iniciativa pionera de personas, empresas, organizaciones y administraciones públicas que se unen con un objetivo común: ser protagonistas de la acción contra el cambio climático de acuerdo a las directrices marcadas en el Acuerdo de París.

Serás tan grande como lo que consigamos juntos.

Cada acción suma #PorElClima

Grupo impulsor

InnovarSE certificate

Receipt of the Cycle of Improvement award as a result of sustainable initiatives



RSA 2021 certificate

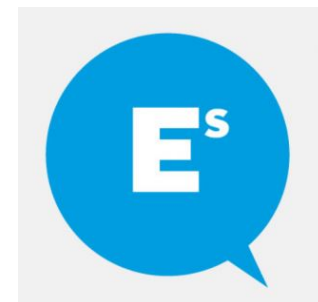
Aragón Province Social Responsibility Seal for the fourth consecutive year



Reconcilia certificate Work Life Balance Award



Blue Stamp/Seal For Health and Safety



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