

Project Finance Facility Update

Highfield Resources Limited (ASX: HFR) (**Highfield** or the **Company**) advises that the Company has agreed that the last remaining lenders under its Senior Secured Project Finance Facility (the **Facility**), being ING, HSBC and Caja Rural de Navarra, would exit the Facility.

As previously announced on 1 April 2025 (refer to the announcement, “Progress Update on Completion of Agreement with Yankuang”) the Company advised that the Facility was amended so that Societe Generale, BNP Paribas and Natixis would exit the Facility. With the departure of ING, HSBC and Caja Rural de Navarra, the Facility has now been fully terminated.

The original financing documents for the Facility were signed in December 2022 (see ASX announcement dated 15 December 2022, “Project Financing - Definitive Documentation Signed”), with additional lenders joining in April 2023 (see ASX announcement dated 17 April 2023, “Additional Lenders join Senior Project Financing Group”). The structure of the Facility required the Company to pay commitment fees to the lenders.

Given the Company’s current focus on preserving cash and maintaining financial flexibility, Highfield requested the deferral or cancellation of certain commitment fees payable under the Facility. The termination of the Facility was the only viable solution in these circumstances to ensure no more commitment fees are accrued.

Highfield remains committed to advancing its flagship Muga Potash Project and is actively reviewing funding options that align with its strategic objectives and current cash preservation approach.

-ENDS-

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

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Highfield Resources is an ASX listed potash company which is planning on commencing full scale construction of its flagship high margin, low capex Muga Project in Spain having finalised the initial site preparatory work and having received all permits and key licences. Muga's Mining Concession was granted in 2021, the ramp construction licence in Aragón in 2022 and the process plant construction licence in Navarra in 2023.

In mid-2024, the Company announced a transformative transaction to finance the construction of the Muga potash project and create a new globally diversified potash company. This transaction involved **Yankuang Energy Group Co., Ltd** and several strategic investors, and included the **proposed acquisition of the Southey potash project** in Saskatchewan, Canada, alongside the **raising of US\$220 million in equity capital**. The transaction remains subject to regulatory approvals.

FIGURE 1: LOCATION OF MUGA-VIPASCA, PINTANOS, AND SIERRA DEL PERDÓN TENEMENT AREAS IN NORTHERN SPAIN.

