Convertible Note Standstill Agreement

As announced by Highfield Resources Limited (ASX: HFR) ("Highfield" or "the Company") on 18 August 2025 (refer to the ASX announcement, "Update on Proposed Strategic Investment"), the convertible notes issued by the Company ("Notes") to Potash (Muga) Investment Pte. Ltd and EMR Capital GP III Limited in its capacity as general partner of EMR Capital Resources Fund III, LP (together, "EMR") and others (the "Noteholders") have matured. The Noteholders have not, however, enforced their rights in connection with the Company's obligation to redeem the Notes, and have continued to engage constructively with Highfield on its future funding options.

The Company now wishes to advise shareholders that it has entered into a standstill agreement with EMR (as controlling Noteholder) pursuant to which it has agreed that until the earlier of:

- 31 October 2025; or
- such time as Highfield fails to comply with the Conditions (defined below) or commits a further event of default under the terms of the Notes (such as an event of insolvency or the appointment of an administrator),

it (and, therefore, the Noteholders), will not enforce, take any enforcement action or instruct enforcement of any security interest which the Noteholders hold over Highfield or its subsidiaries ("Group") as a result of the failure by Highfield to redeem the Notes on the maturity date ("Standstill").

The Standstill provides the Company with additional time and flexibility to progress funding discussions which are designed to enable the Company to continue to advance its flagship Muga Potash Project.

The Standstill has been provided on the basis that all cash and adviser fee payments are continuing to be tightly controlled and approved by directors.

Highfield continues to prioritise prudent cash management while it pursues longer-term funding solutions, including discussions with Yankuang Energy under the existing Implementation Agreement (as noted in the Company's announcement of 18 August 2025).

-ENDS-

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

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About Highfield Resources

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.

Muga is a unique project – with shallow mineralization and no aquifers above it there is no need to build a shaft. There is high quality and readily accessible infrastructure already in place in the region and importantly, the Muga Project is located in the heart of a European agricultural region which has a clear deficit in potash supply.

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.

Highfield's potash tenements (Muga-Vipasca, Pintanos, and Sierra del Perdón) are located in the Ebro potash producing basin in Northern Spain, covering an area of around 250km^2.

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