



ASX: HFR

31 March 2022

Non-binding indicative term sheet for a €312.5m senior secured project financing package agreed

HIGHLIGHTS

- Highfield has agreed a non-binding indicative term sheet with a group of experienced European mining finance lenders for a €312.5m senior secured project financing package (the “Facilities”).
- The Facilities will cover a substantial portion of the pre-production investment required to complete the construction of Muga.

Highfield Resources Limited (“Highfield” or the “Company”) is pleased to announce that it has agreed a non-binding indicative term sheet with a group of experienced European mining finance lenders including Société Générale, ING Bank N.V. and Natixis for a €300m senior secured project financing facility and an additional €12.5m cost overrun facility resulting in an overall package for €312.5m to finance the construction of its 100% owned Muga Potash Project (“Muga” or the “Project”), located in Spain.

The Facilities will cover a significant portion of the pre-production investment required to complete the Phase I construction of Muga. In addition, the Company has received strong interest from local Spanish banks who wish to participate in the Facilities.

Outline of terms:

- Senior Secured Project Financing Facility of €300m
- Additional Cost Overrun Facility of €25m of which €12.5m is funded from senior debt
- Carve out for equipment lease financing of up to €22.5m
- Facility tenor of up to ten years, including a 2.5 year grace period

The Facility remains subject to the lenders completing their final due diligence and credit approvals.

Endeavour Financial is acting as Financial Advisor to the Company.



Ignacio Salazar, CEO, commented: *“As we approach construction at Muga, we have reached another critical milestone by entering into a term sheet for €312.5m of senior debt.*

Following an extensive due diligence process by independent experts, we managed to increase the debt facility in quantity and in tenor compared to original expectations, which shows the merits and the growing confidence in the Muga project.

This is a major achievement in the financing strategy of Muga which provides further impetus to progressing strategic investments and other financing options.”

-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 focussed on the construction of its flagship low cost, low capex Muga-Vipasca Project in Spain having been granted the Mining Concession in July 2021.

Muga is a unique project in Western Europe. It has decline-accessible shallow potash mineralisation without any overlying aquifers. The Project benefits from 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 demand for potash supply to meet future requirements.

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 250 km².

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

