



ASX: HFR

24 October 2022

Highfield secures credit approval for €320.6 million Senior Secured Project Financing for Muga Project Development

HIGHLIGHTS

- Highfield receives credit approvals from BNP Paribas S.A., ING Bank N.V., Natixis CIB and Societe Generale (London Branch) for a €320.6 million senior secured project financing package.

Highfield Resources Limited (“Highfield” or the “Company”) is pleased to announce that it has received credit approvals from a syndicate of four international financial institutions acting as Mandated Lead Arrangers (the “MLAs”) for senior secured project financing facilities (the “Senior Facilities”) of up to €320.6 million to fund the construction and development of its 100% owned Muga Potash Project (“Muga” or the “Project”), located in Spain.

The MLAs are BNP Paribas S.A., ING Bank N.V., Natixis CIB and Societe Generale (London Branch).

The Senior Facilities will comprise two financing agreements:

- A Senior Debt Facility (“Senior Debt Facility”) of €300 million to fund the construction and development of the Project; and
- A Cost Overrun Debt Facility (“Cost Overrun Debt Facility”) of €20.6 million to be used, if required in the construction and development of the Project

The receipt of credit approvals follows a thorough due diligence process undertaken by the MLAs in combination with a group of specialised consultants in technical, social, environmental, marketing and legal matters.

The term of the Senior Debt Facility will be ten years and the term of the Cost Overrun Debt Facility will be five years. Closing of the Senior Facilities is subject to customary conditions, including the negotiation and settlement of definitive documentation.

While advancing the Project, the Company has maintained a stringent cash preservation strategy. As a result of that, the cash balance at the end of the quarter (30/09/2022) is A\$ 11.3 million. The Company will release its Quarterly Activities Report and its Quarterly Cash Flow Report (Appendix 5B) by the end of October 2022.

The Company continues to make progress in negotiations with strategic investors and on the €23.3 million equipment operating lease facility with Macquarie (refer ASX release 4 July 2022, “Non-Binding Indicative Term Sheet Equipment Operating Lease”).



Ignacio Salazar, CEO, commented: "We are delighted to announce the credit approval of €320.6 million Debt facilities from BNP Paribas, ING, Natixis CIB and Societe Generale. This milestone represents the conclusion of an intensive and extensive due diligence process which included site visits by the MLAs and independent experts conducting environmental, social, technical, marketing and legal evaluations of the Project.

With the preliminary works around the mine-gate getting finalised, securing project finance was an essential step to move the construction of the Project forward."

Endeavour Financial is acting as financial advisor to the Company.

-ENDS-

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

For more information:

Highfield Resources Limited

Ignacio Salazar – Chief Executive Officer

Ph: +34 948 050 577

Olivier Vadillo - Investor Relations

Ph: +34 609 811 257

Australia based queries:

Alex Cowie – NWR Communications – Director

Ph: +61 (0) 412 952 610



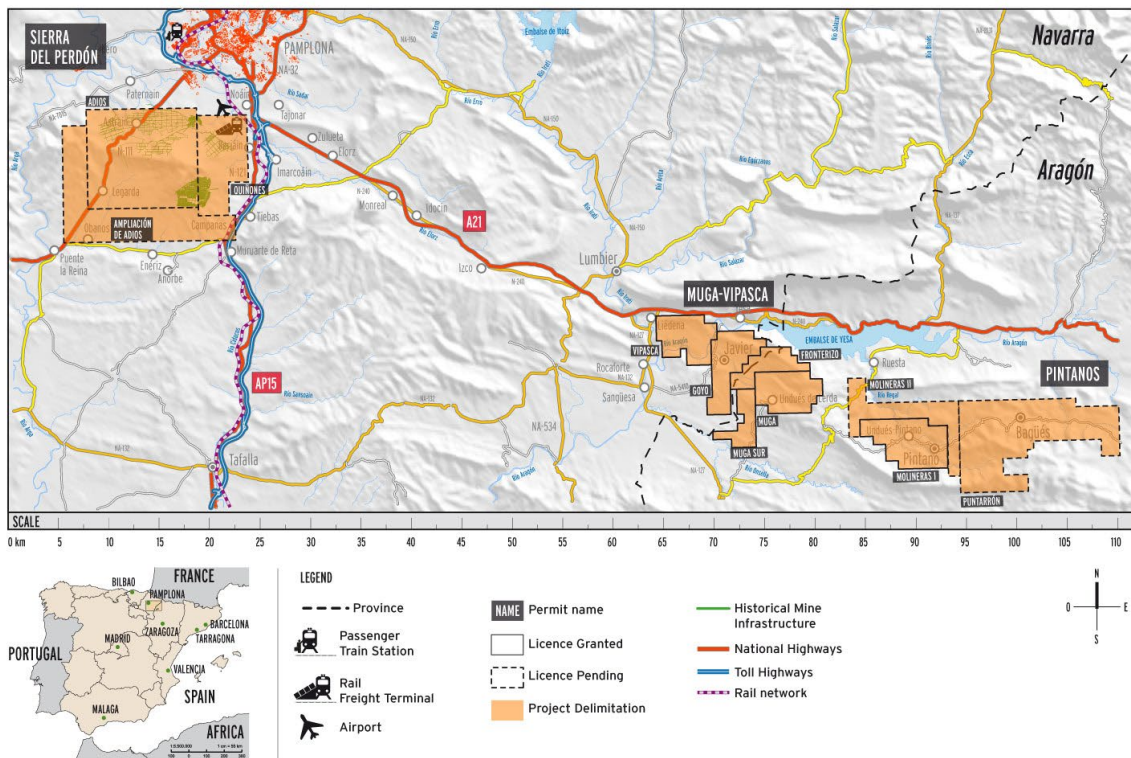
About Highfield Resources

Highfield Resources is an ASX listed potash company which is focussing on the construction of its flagship low cost, low capex Muga Project in Spain having been granted the Mining Concession in July 2021 and the construction licence in Aragón in June 2022. Initial site works for the construction of the Muga mine gate and the two underground declines commenced shortly thereafter.

Muga is a unique project – with shallow mineralization with no aquifers above it there is no need to build a shaft. There is 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 addition to its secure southern European location, since February 2022 events in Russia and Belarus have increased the awareness of the strategic value of the Muga project for both Spain and the European Union.

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 250km².

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



Highfield Resources

ACN 153 918 257

ASX: HFR

www.highfieldresources.com.au