



ASX: HFR

12 December 2022

## Successful Equity Raising of A\$13 million to Fund Continued Progress at the Muga Mine

### HIGHLIGHTS

- The Company has successfully raised A\$13 million via an institutional placement.
- Strong demand for the oversubscribed placement received from new and existing shareholders, including high-quality institutional investors based domestically and offshore.
- Issue price of A\$0.62 per share represents a 10.1% discount to the last closing price of A\$0.69 per share.
- Proceeds of the Offer will primarily be used to fund continued early work construction activities at the Muga Potash Project, finalise debt funding arrangements and put the Company in a strong position to progress negotiations with strategic investors.

Highfield Resources Limited (“Highfield” or Company”) is pleased to announce that the Company has received firm commitments from institutional, sophisticated and professional investors for the placement of ordinary shares of the Company at an issue price of A\$0.62 per share to raise gross proceeds of A\$13 million (“Placement”).

The Placement was oversubscribed with strong support from new and existing shareholders, including high-quality institutional investors based domestically and offshore. Proceeds of the Placement will provide a runway to finalise the project finance and other strategic alternatives to complete the construction funding and will be used to fund early work activities at the Muga Potash Mine (“Muga” or the “Mine”) as well as general working capital and corporate costs.

#### Highfield Resources CEO, Ignacio Salazar, said:

*“We are pleased to announce the completion of the Placement which was well supported by existing and new institutional investors. We welcome all new shareholders to the Company and thank existing shareholders for their ongoing support.”*

*Representing approximately 6% of our market cap, this Placement is minimally dilutive, while providing the Company with a strong position to continue to move Muga forward, finalise the project financing and negotiate with strategic investors.”*



## Muga Potash Project

Muga is a unique project with shallow mineralisation and no aquifers above it, which therefore removes the need to build a shaft. There is quality and readily accessible infrastructure already in place in the region, and importantly, Muga lies at the heart of a European agricultural region which has a clear deficit in potash supply. In addition to its secure southern European location, recent events in Russia and Belarus have increased the awareness of the strategic value of the Muga Mine for both Spain and the European Union.

After receiving the construction licence for the mine gate and declines in June 2022, the Company started construction at the Muga mine site at the end of June 2022.

## Placement Details

The 21.6 million new shares to be issued under the Placement will be allotted in a single tranche on Friday 16 December 2022 pursuant to the Company's existing 15% placement capacity under Listing Rule 7.1.

The Placement price of A\$0.62 per share represents a discount of:

- 10.1% to Highfield's last closing price of A\$0.69 per share on 7 December 2022;
- 13.2% to Highfield's 5-day VWAP of A\$0.714 per share; and
- 15.0% to Highfield's 10-day VWAP of A\$0.729 per share.

Participants in the Offer will also be allocated one (1) unlisted free attaching option for every two (2) New Shares received in the Offer, with a A\$0.93 exercise price and an exercise date 18-month from issue.

Canaccord Genuity (Australia) Limited and Taylor Collison Limited mandated on the 8 December 2022 to act as Joint Lead Managers and Joint Bookrunners to the Placement. Foster Stockbroking Pty Limited acted as Co-Manager.

## Indicative Timetable

The indicative key dates for the Placement are outlined below:

Event	Date
Announcement of Placement	Monday, 12 December 2022
Issue New Shares under Placement	Friday, 16 December 2022
Quotation of New Shares under Placement	Monday, 19 December 2022
Issue of Unlisted Options	Friday, 16 December 2022
Expiry of Unlisted Options	Sunday, 16 June 2024

*\*These dates are indicative only. The Company reserves the right to vary the dates without notice.*



-ENDS-

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

For more information:

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## 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 now the mine gate and declines construction licence in June 2022.

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, recent 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 250km<sup>2</sup>.

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

