



ASX: HFR

23 December 2022

Highfield signs definitive documentation for €320.6 million Senior Secured Project Financing for Muga

HIGHLIGHTS

- Highfield and BNP Paribas S.A., ING Bank N.V., Natixis CIB and Societe Generale (London Branch) have signed principal facility documentation for €320.6 million Senior Secured Project Financing for Muga Project Development.

Highfield Resources Limited (“Highfield” or the “Company”) is pleased to announce that it has signed principal credit facility in relation to its previously announced senior secured project financing facilities (the “Senior Facilities”) between Highfield, its Spanish subsidiary, Geoalcali S.L.U., and a syndicate of four international financial institutions acting as Mandated Lead Arrangers (the “MLAs”). The Senior Facilities of up to €320.6 million will fund the construction and development of the Company’s 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 terms of the Senior Facilities are as previously announced. The Senior Facilities 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 Company continues to make progress in discussions and negotiations with prospective strategic investors as well as progressing its €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 signing of the principal facility documentation for €320.6 million with BNP Paribas, ING, Natixis CIB and Societe Generale. With the signing of this documentation, the Company has delivered on another key milestone in the financing strategy.”

Endeavour Financial is acting as financial advisor to the Company.

-ENDS-

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Highfield
Resources

ASX ANNOUNCEMENT



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 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 which commenced shortly thereafter are now well advanced.

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.

