



ASX: HFR

17 April 2023

Highfield welcomes additional lenders to its Senior Secured Project Financing for Muga Project Development

HIGHLIGHTS

- HSBC Continental Europe and Caja Rural de Navarra have signed definitive documentation to join the previously announced €320.6 million senior secured project financing package for the development of the Company's flagship Project, the Muga mine.

Highfield Resources Limited ("Highfield" or the "Company") is pleased to announce that it has signed further documentation in relation to its previously announced senior secured project financing facilities (the "Senior Facilities"). The Senior Facilities of up to €320.6 million will fund the construction and development of its 100% owned Muga Potash Project ("Muga" or the "Project"), located in Spain.

In addition to the existing four international financial institutions acting as Mandated Lead Arrangers, BNP Paribas S.A., ING Bank N.V., Natixis CIB and Societe Generale (London Branch), HSBC Continental Europe and Caja Rural de Navarra have joined the Senior Facilities as Lenders.

The terms of the Senior Facilities are as previously announced (refer ASX, 30 March 2022 "Project Financing - Indicative Term Sheet Agreed"), and first drawdown is expected to occur upon satisfaction of certain conditions precedent customary for financing transactions of this nature.

The Company continues to make progress in negotiations with potential 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 pleased to see additional banks joining our lending group. These are banks with an important presence in the natural resources sector and in the Spanish banking market, including in the Navarra and Aragon regions. We are delighted to partner with them as we move towards full project construction."

-ENDS-

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

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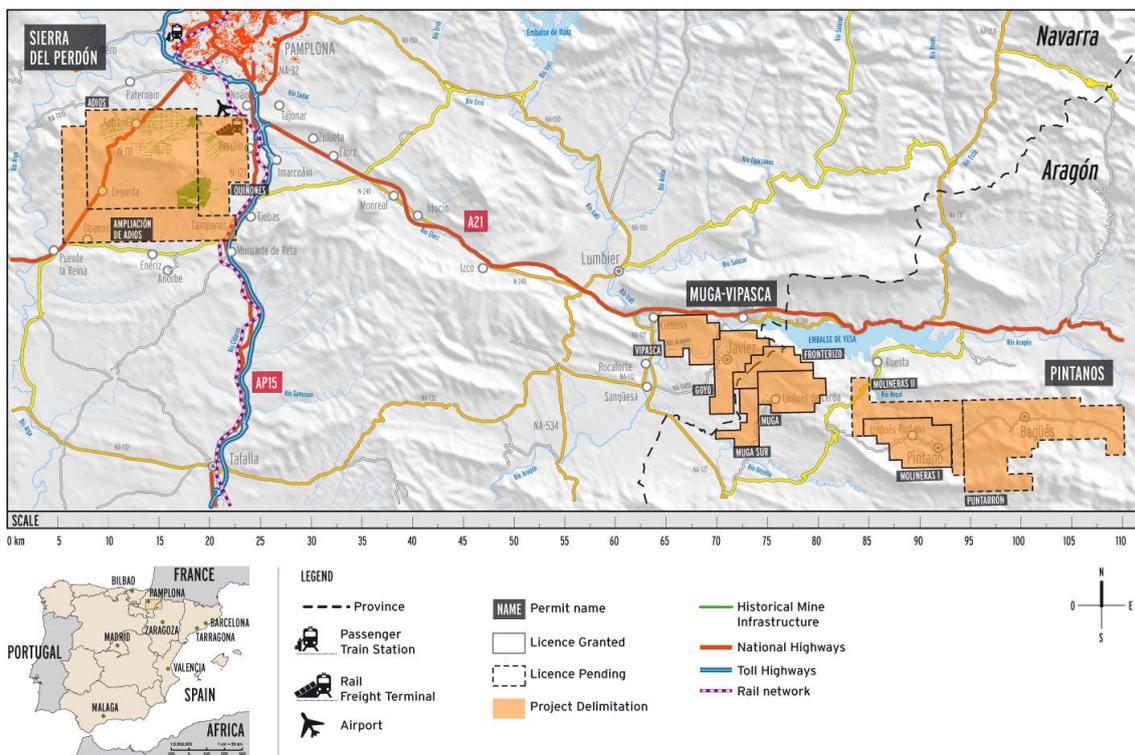
About Highfield Resources

Highfield Resources is an ASX listed potash company which is focussing on the construction of its flagship low cost, low capex Muga Project in Spain having now received all permits and key licences needed. With the Mining Concession being granted in July 2021, the ramp construction licence in Aragón in June 2022 and the process plant construction licence in Navarra in March 2023. Following the finalisation of the initial site preparatory work of the mine gate and decline area, full scale construction is expected to commence in the second half of 2023.

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 Muga’s secure southern European location, since February 2022 events in Russia and Belarus have heightened 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.



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