



Investor Presentation

November 2023 | ASX:HFR



COMPETENT PERSONS STATEMENT FOR MUGA ORE RESERVES, MUGA MINERAL RESOURCES and EXPLORATION TARGET

This update was prepared by Mr. Ignacio Salazar Director of Highfield Resources. The information in this update that relates to the Ore Reserve reported as of 31 October 2021 is based on information prepared under the direction of Dr Mike Armitage who was a Corporate Consultant with SRK Consulting (UK) Limited at that time and who was the Competent Person who assumed overall professional responsibility for the Ore Reserve reported at that time. The information related with the review of the Life of Mine (“LOM”) that underpins the October 2021 Ore Reserve was prepared by Mr Chris Bray, who was, and remains, a full-time employee of and Principal Consultant (Mining) at SRK. The information in this update that relates to the Mineral Resources with the effective date of 31 December 2020 is based on information prepared by Ms Anna Fardell, was a Senior Consultant at SRK Consulting (UK) Limited.

Dr Mike Armitage is a Member the Institute of Materials, Minerals and Mining (“IMMM”) which is a ‘Recognised Overseas Professional Organisation’ (“ROPO”) included in a list promulgated by the Australian Stock Exchange (“ASX”) from time to time. Dr. Mike Armitage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Dr. Mike Armitage consents to the inclusion in this update of the matters based on the information upon which the October 2021 Ore Reserve is based in the form and context in which it appears.

Mr Chris Bray BEng, MAusIMM (CP) takes responsibility for the review of the LOM plan that underpins the October 2021 Ore Reserve. Mr Bray is a full-time employee and Principal Consultant (Mining) at SRK. He is a Member of and Chartered Professional in the Australasian Institute of Mining and Metallurgy. He is a Mining Engineer with 25 years’ experience in the mining and metals industry, including operational experience in underground mines as well as mine planning and review experience on underground potash, salt, lithium and borate projects, and as such qualifies as a CP as defined in the JORC Code. He has also been involved in the reporting of Ore Reserves on various properties internationally for over 10 years.

Ms Anna Fardell was a Senior Resource Geologist employed by SRK as of the effective date for the December 2020 Mineral Resource estimate, and at that time had over five years’ experience in estimating and reporting Mineral Resources relevant to the style of mineralisation and type of deposit described herein. Ms Fardell is a registered member of the Australian Institute of Geoscientists (6555) and considered a Competent Person (CP) under the definitions and standards described in the JORC Code 2012. Ms Fardell takes responsibility for the Mineral Resource Statement and Exploration Target presented here and consents to the inclusion in this update of the matters based on their information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This presentation includes certain ‘forward looking statements’. All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The company does not assume any obligation to update any forward looking statement.

Cautionary Statement

The production target set out in this update is derived from Proved and Probable Ore Reserves, additional Measured, Indicated and Inferred Mineral Resources from the Muga-Vipasca tenement as well as the Exploration Target at the Vipasca and Muga Sur tenements. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised. The technical parameters underpinning the Mineral Resource in the market announcement dated 30 March 2021 and the Exploration Target in the market announcement dated 23 November 2021 and 2 November 2022 continue to apply and, in the Company’s opinion, have not materially changed.

Highfield 
Resources

Mina Muga

Why Highfield Resources?

The **Muga Potash Mine** is set to deliver a new global and secure source of Potash, a critical input in Fertilizers

Targeting **€340 million per annum EBITDA**¹
Potash operation in full production

Forecast to be one of the highest margin potash mines globally

Fully permitted and shovel ready project in Spain

Location is a major strategic advantage. Shallow mineralization. Infrastructure in place

Potash market has attractive long-term fundamentals with near-term opportunity

A critical future facing commodity leveraged to global food security Thematic



¹ See ASX Release "Muga Potash Mine Updated 2023 Feasibility Study" 8 November 2023

Corporate Structure

Ticker	HFR
Share Price (as at 15 November 2023)	A\$0.40
Common Shares	392.2M
Dilutive Securities	35.1M
Market Capitalisation	A\$156.9M
Cash (as at 30 September 2023)	A\$16.4M

HIGHFIELD RESOURCES LIMITED

Asset

High-grade Proved and Probable Ore Reserve of 237.3Mt at 12.0% Potassium Oxide (K₂O)

Strategically located in Europe

Permitted and Construction ready, subject to financing

Share Price



Analyst Coverage



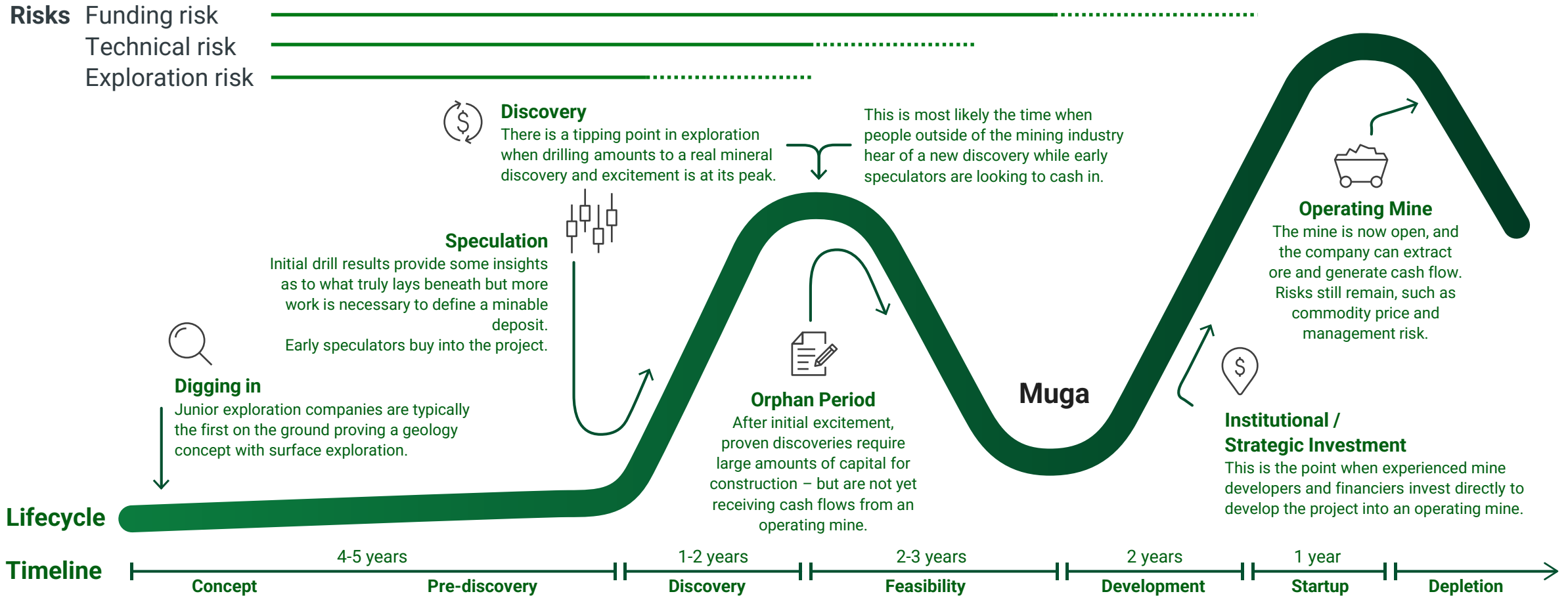
Price Target

Speculative buy: AU\$ 1.36



Speculative buy: AU\$ 1.21

The Lifecycle of a mineral discovery



Board overview



Paul Harris, Independent Non-Executive Director

- Joined Board March 2022.
- Over 25 years' experience in financial markets and investment banking, including roles with Citibank, Bankers Trust and Merrill Lynch
- Currently on Boards of Aeon Metals, Aurelia Metals
- Masters of Engineering (Mining) and a Bachelor of Commerce (Finance)



Ignacio Salazar, Managing Director & CEO

- Over 30 years of experience in the natural resources industry.
- CEO of Highfield since July 2020,
- Previous experience includes 18-years at Royal Dutch Shell and in 2008 joined Orosur Mining, where he was appointed CEO in 2013



Pauline Carr, Independent Non-Executive Director

- Over 30 years' experience in the mining and resources sectors.
- Held senior positions in Newmont and Normandy Mining.
- Currently Chancellor of the University of South Australia, Chairman of National Pharmacies and Director of Australian Rare Earths



Roger Davey, Independent Non-Executive Director

- Over 30 years' operational experience at senior management and director level in the mining industry
- Previous positions at NM Rothschild, Minorco (AngloGold); Greenwich Resources plc; Blue Circle Industries; and Gold Fields



Luke Anderson, Independent Non-Executive Director

- Over 25 years of experience in executive management, corporate development roles in resource and transport companies
- Previously CEO of One Rail Australia, President and CEO of Unimin Corporation and CFO of Oz Minerals

Management overview



Javier Aguado, CFO

- Over 20 years' accounting and financial experience.
- Previously worked at Ernst and Young and Acciona as Financial Controller for over 12 years



Carles Alemán, Head of Plant Construction and HSE

- More than 30 years' experience working in international focused managerial roles in the chemical sector
- Previously worked at BASF, CIBA-GEIGY. Worked 8 years at ICL Spain, where he was the President since 2018



Olivier Vadillo, Head of Marketing & Investor Relations

- More than 12 years' professional experience in strategic consultancy.
- Previously worked at Wood Mackenzie, Deloitte MCS Ltd and as a strategic consultant for various mining and energy companies



Jorge Feito, Head of Mining

- 20 years of experience in mining, both in the industrial minerals sector and metal mining, and both open pit and underground
- Previously worked 10-years at First Quantum Minerals' Las Cruces and Sentinel Mines



Leonardo Torres-Quevedo, Head of Civil Works

- A qualified mining engineer with more than 20 years' experience
- Previous experience includes 9-years at Bovis Project Management, and at Dragados S.A.



Susana Bieberach, Head of Public Affairs

- Extensive experience working as a consultant for more than 300 companies, organisations and associations
- She is a member of the Communication ANEFA and of the Communication Committee of Women in Mining

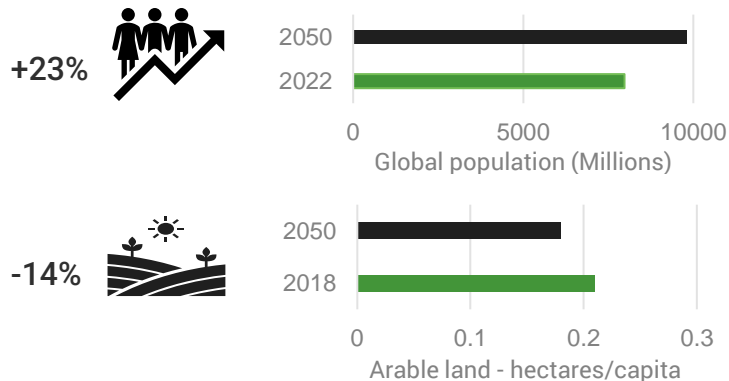
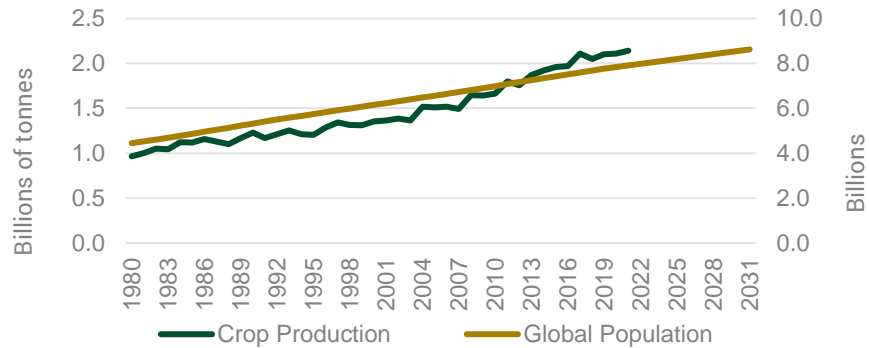


Javier Olloqui, Head of Human Resources, Foundation & IT

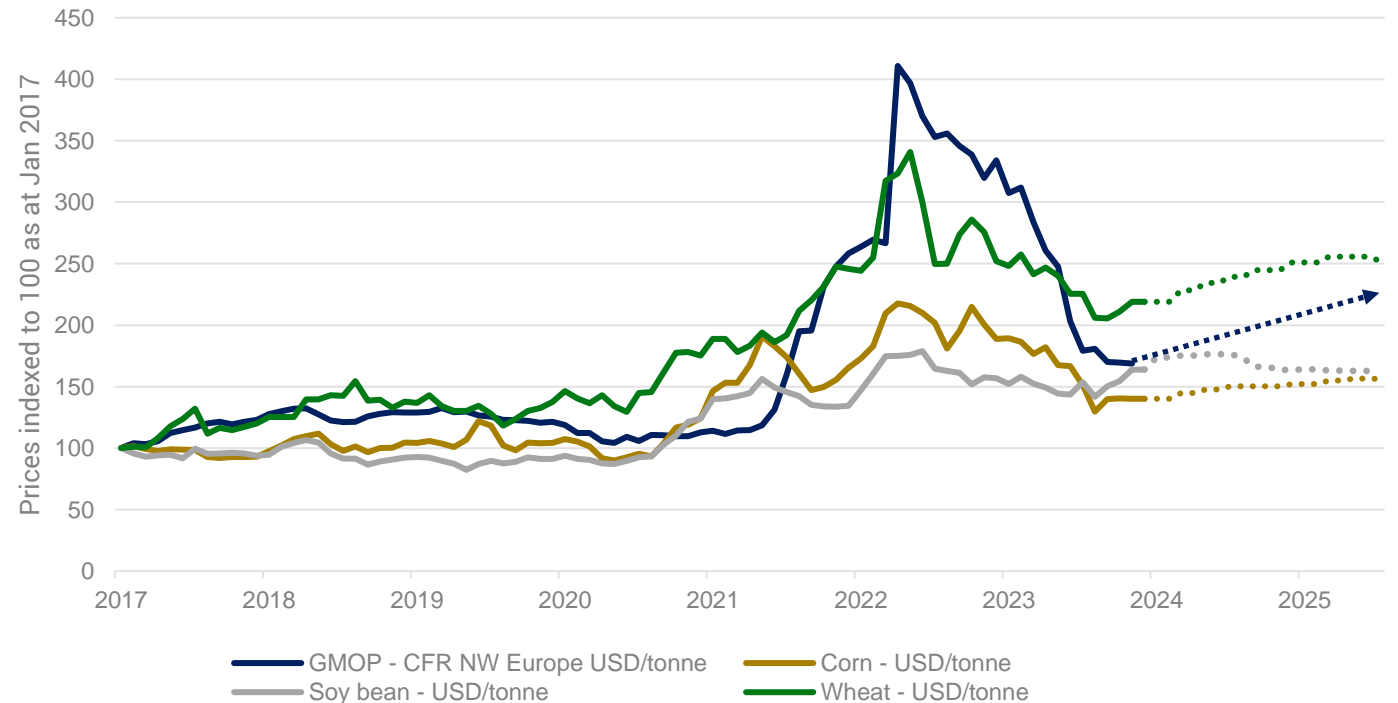
- More than 20 years' experience in Human Resources management
- Previous experience includes senior roles in Gamesa Eólica, Faurecia, Grupo Mondragón, 3P Biopharmaceuticals and Aladium

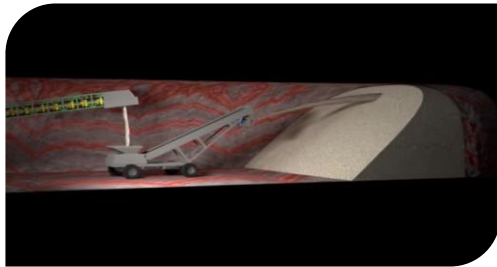
Potash Market Overview

Global food security will be a key theme in the future with population increasing and arable land decreasing growing the need for more fertiliser use



Potash prices are very strongly correlated to crop prices
Crop prices are expected to recover with potash prices expected to follow





ENVIRONMENTAL

Progressively rehabilitate mine: Backfilling and salt sales

Muga will be the only potash mine not to leave residue on the surface after production

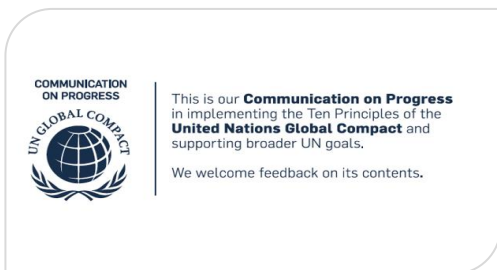
Conventional mining drives low emission operation



SOCIAL

Social Baseline Study prepared by Government of Navarra

The Company's social management regarded as a best practice example by the UN Global Compact



GOVERNANCE

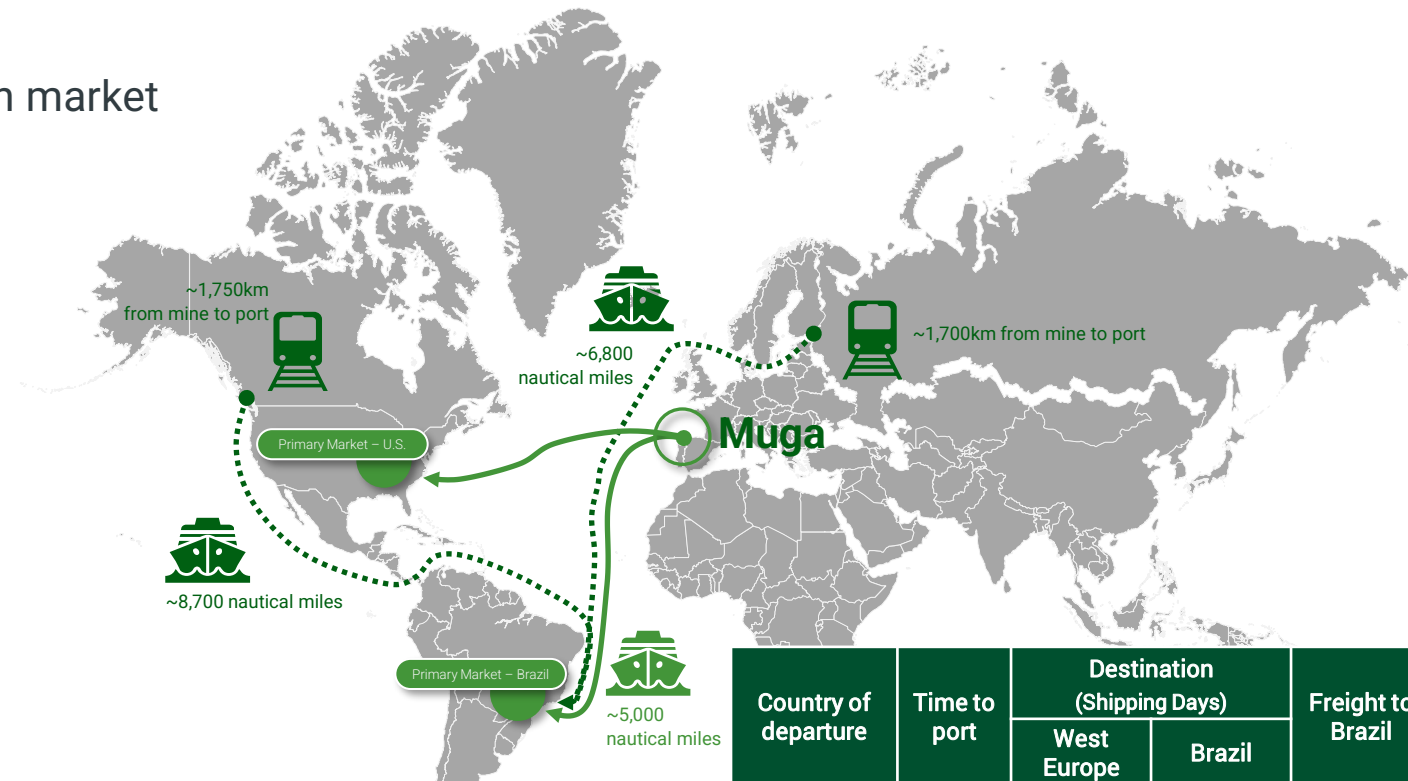
First junior mining company admitted as a signatory to the UN Global Compact initiative

Adherence to rigorous ASX and EU disclosure and reporting obligations

Location is a Key Competitive Advantage

Access to Customer Markets

- **Strategically located** in the middle of the European market
- Potash **price premium** in Europe

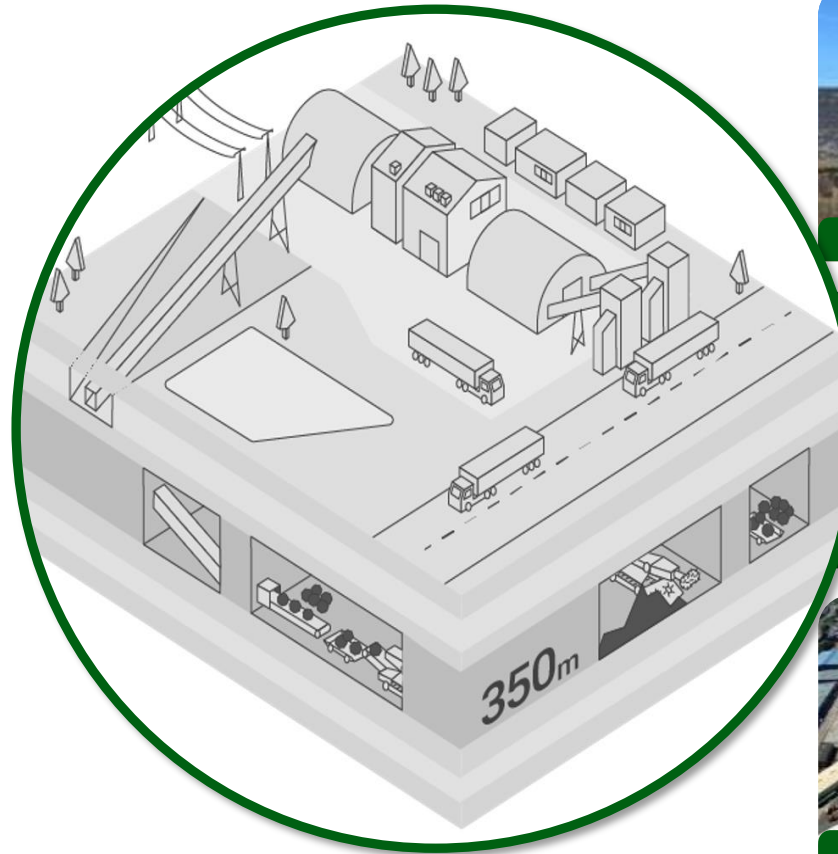


- **Faster and cheaper** access to South American and U.S. markets
 - Muga is <200km to port
 - Less than half the transport time

Country of departure	Time to port	Destination (Shipping Days)		Freight to Brazil
		West Europe	Brazil	
Spain	~2h	-	18	~\$19/t
Germany	~3h	-	21	~\$23/t
Russia / Belarus	~2-3 days	5	26	~\$37/t
Canada West Coast	~3 days	35	43	~\$51/t

Other Key Competitive Advantages

- **Excellent infrastructure in place** with immediate access to ports, transport and renewable grid power
- **Straightforward access** to the mine with two ramps, no shafts, no aquifers and shallow mineralization
- **Low technical risk** with conventional underground Room and Pillar mining method and flotation and crystallization processing
- **Fully permitted and construction ready, subject to financing**



National Electricity Grid Substation in Sangüesa



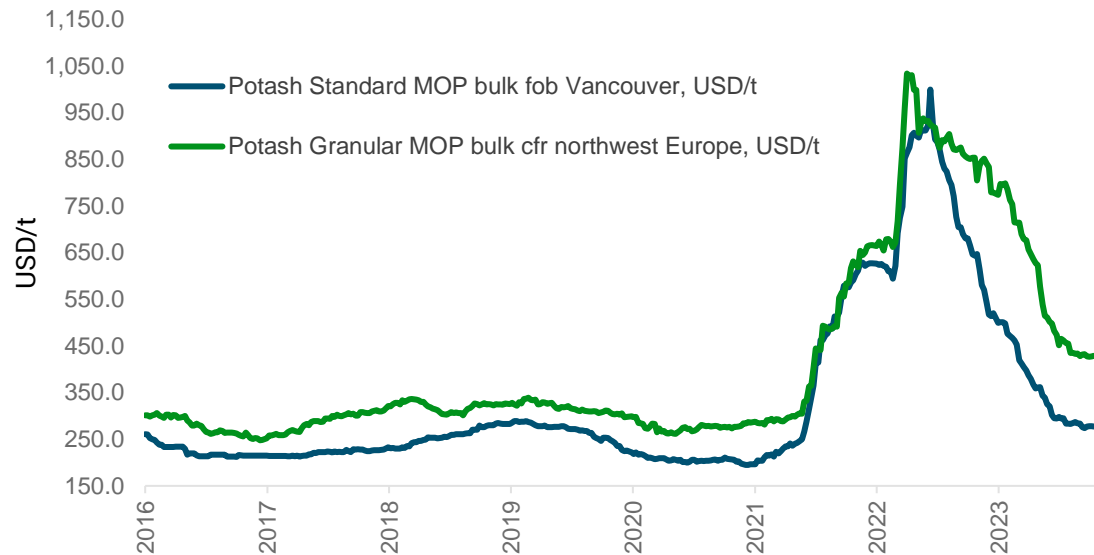
A-21 between Sangüesa and Pamplona



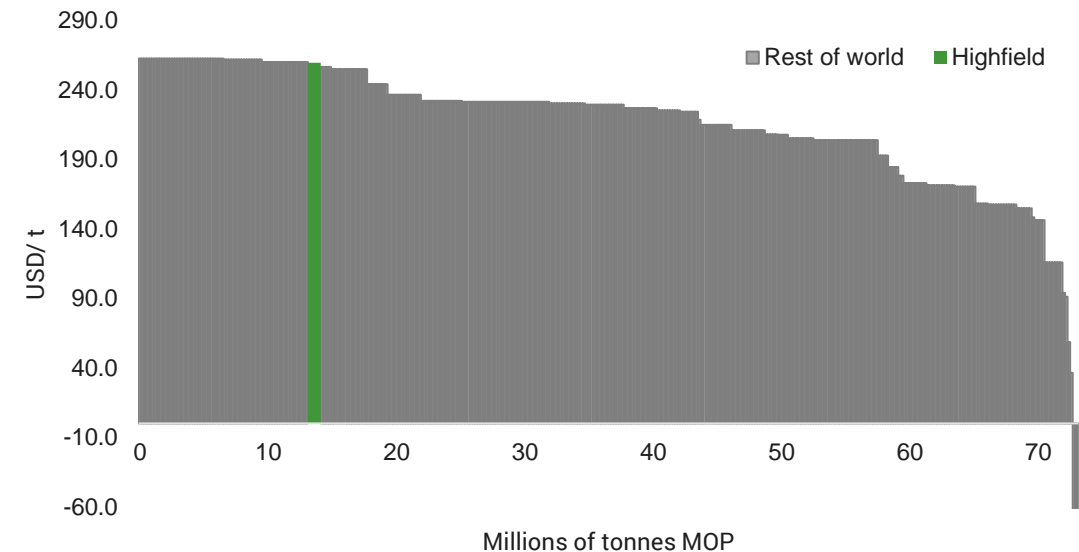
Port of Bilbao (~220km), Spain's largest port

Top Quartile Margins

Europe trades at a premium to other markets



Margin curve forecast for 2026 (real US\$)

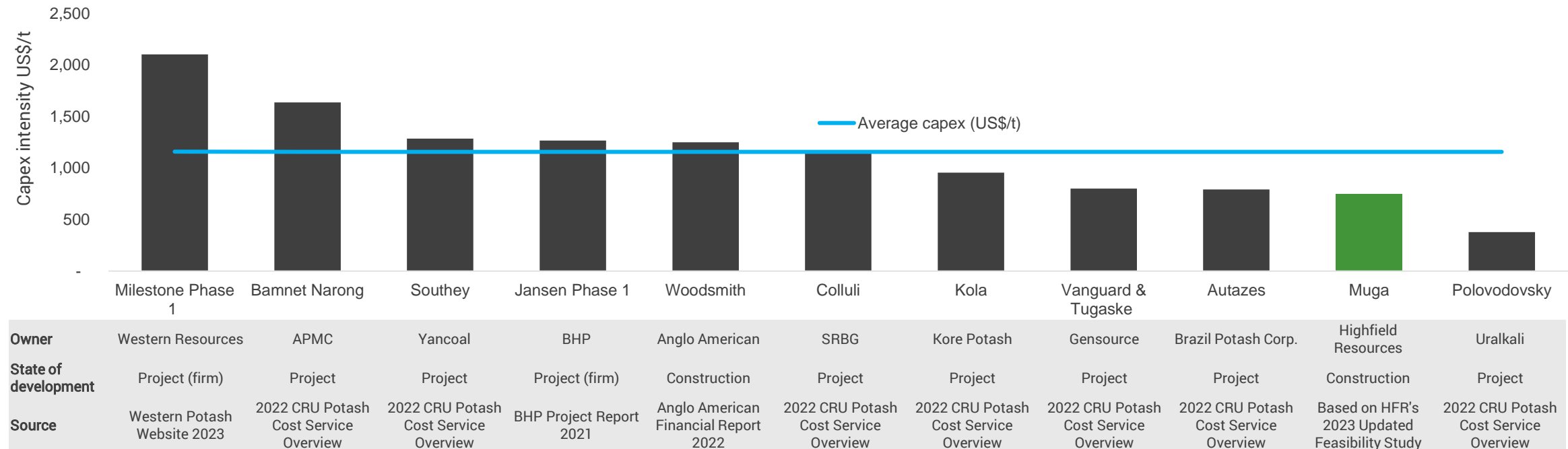


Mine location provides exposure to significantly lower potash delivery rates to the European market, meaning higher netbacks at mine gate

Low costs and higher netbacks at mine gate position the mine as potentially one of the highest margin potash mines globally

Low Initial Investment

MUGA has half the capex intensity compared to other global development projects (US\$ Per Tonne Of Potash)



The Company confirms that all material assumptions underpinning these figures, in-line with the initial public report released on 8 November 2023 (refer ASX release "Muga Project Updated 2023 Feasibility Study") continue to apply and have not materially changed.

Outstanding Project Economics

ECONOMICS

€340 million pa
EBITDA in full
production

NPV₈ of €1.82 billion
23% IRR (post-tax)

First quartile margin
position

Pre-production capital
cost of €449 million
(phase one), including
10% contingency

Capital cost of €286
million (phase two),
including 10%
contingency

Economics
underpinned using
current real spot
prices

OPERATIONAL

2 phase planned
production up to
1Mtpa of Muriate of
Potash (MOP)

Excellent logistics with
access to renewable
grid power, transport,
and port

Strategically located
with low cost access
to customer markets

30 year
Life of Mine

Conventional
Underground Room
and Pillar mining
operation

Established social
licence to operate

Resource

- 100% owned Muga Potash Project
- ROM tonnes of 173,7Mt at 10.2% Potassium Oxide (K₂O)

Permits

- Fully permitted and construction ready, subject to financing.

Global demand for MOP as a critical fertilizer input is expected to grow which is driven by current geopolitical supply risks, population growth, and pressure on farming yield.

Highfield has made significant progress in the last twelve months announcing a number of key project milestones



Fully permitted: Environmental, mining concessions and construction licences obtained.



Successful expropriation process: Access to all land for the project



Binding salt offtake and MOUs signed: First binding salt offtake signed.
Sales & marketing, logistics and transport MOUs all signed with traders and ports.



Economics: Updated feasibility study reconfirms compelling economics of Muga



Construction: Preliminary works at the mine gate and earthmoving. Parallel tendering process underway for whole construction works



Financing: Support from blue-chip financial institutions such as BNP Paribas, Caja Rural de Navarra, EMR Capital, HSBC, ING, Macquarie, Natixis, Societe Generale and Tectonic

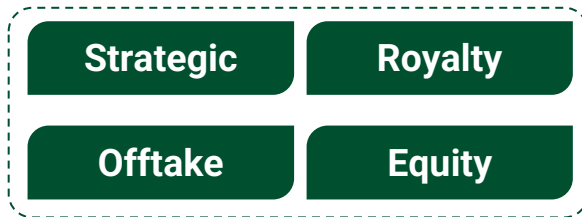
2023 Construction Progress Report

- Preliminary works around the mine gate finalised early 2023
- Access to all land, expropriation completed by June 2023
- H2 2023 preliminary works on newly acquired areas and electricity line in progress
- Three construction workstreams planned: Process Plant, Urbanization and Ramps and Mine Infrastructures



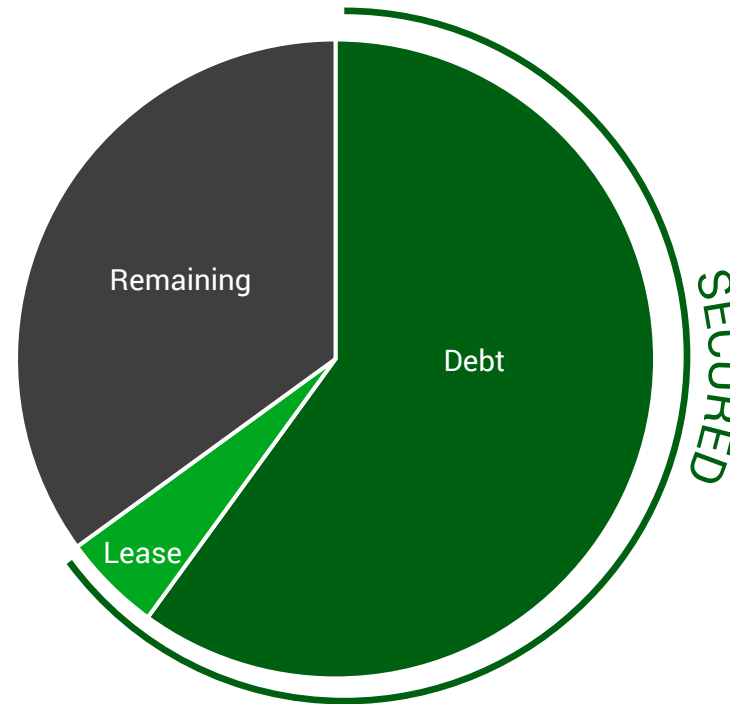
PHASE 1 MUGA PROJECT CAPITAL ESTIMATED FUNDING

FUNDING OPTIONS IN PROGRESS



- Working with Macquarie Capital, Clarksons Securities and Endeavour Financial
- Company is focused on the least dilutive options to maximise shareholder return
- Multiple discussions in train with potential partners, at advanced stages
- Highfield continues to target construction of main facilities to commence in early 2024.

SECURED AND IN PLACE



€320M

Senior Secured Project Financing

BNP Paribas S.A.;
 ING Bank N.V.;
 Natixis CIB;
 Societe Generale;
 HSBC Continental EU; and
 Caja Rural de Navarra



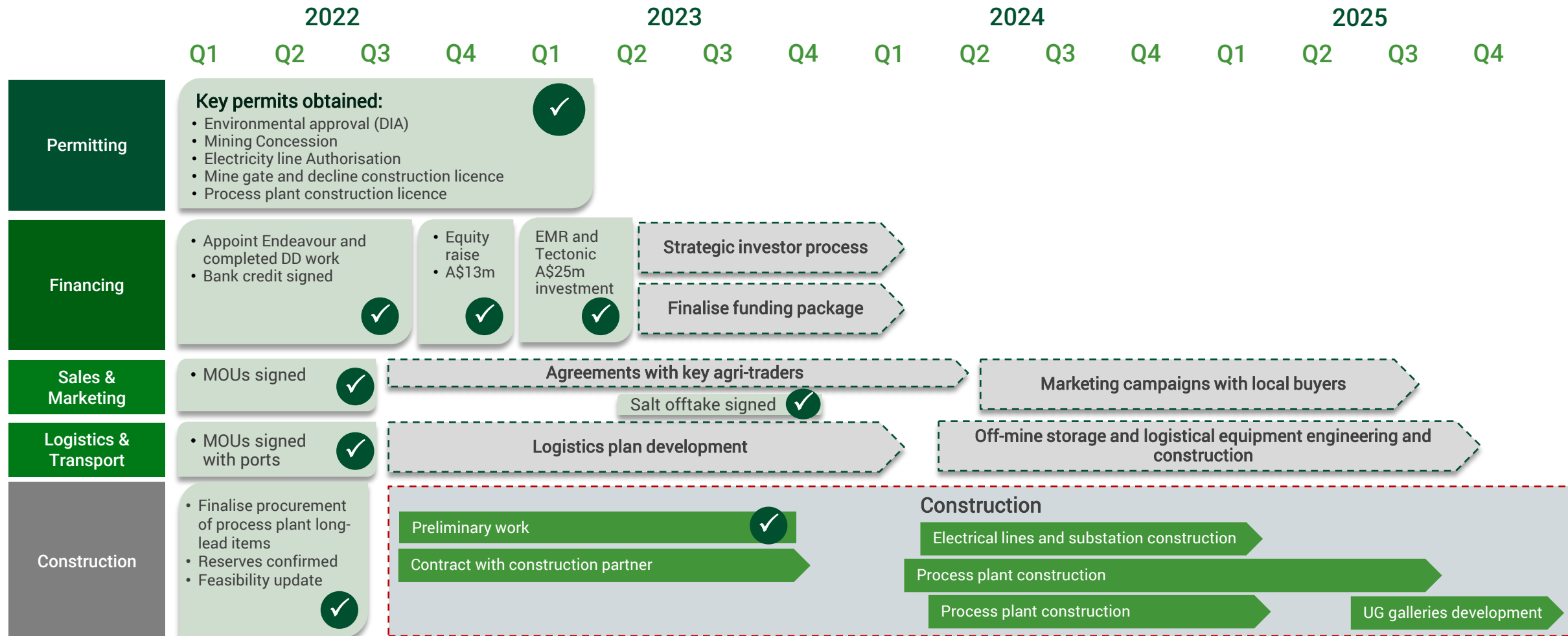
€25M

Equipment Operating Lease Financing

Macquarie Bank



Progress to Date and Next Steps



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Potash operation in full production

Forecast to be one of the highest margin potash mines globally

Fully permitted and shovel ready project in Spain

Location is a major strategic advantage. Shallow mineralization. Infrastructure in place

Potash market has attractive long-term fundamentals with near-term opportunity

A critical future facing commodity leveraged to global food security thematic



¹ See ASX Release "Muga Potash Mine Updated 2023 Feasibility Study" 8 November 2023

APPENDIX



Potash Market Overview

What is Potash ?

Potash (potassium chloride, KCl, Muriate of Potash, or MOP), is an essential crop nutrient

Potash is the most widely used potassium fertilizer along with Nitrogen and Phosphorous.

It's primary role in plants is to support and improve:

- growth
- water retention
- nutrient value
- enzyme activation
- yield
- taste
- disease resistance

MOP accounts for 90% of the potash market with SOP accounting for just under 10%

MOP is difficult to substitute as it contains by far the highest levels of key macro-nutrient potassium

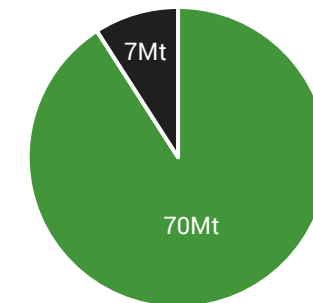
Due to the lack of chloride, SOP is mainly used for specific application



Potash Ore



MOP Granular



■ MOP market ■ SOP market

Overview of fertilizers



Fertilisers contain essential nutrients which act as the foundation for plant growth



Primary nutrients in fertiliser are nitrogen, phosphorus and potassium which perform different functions and not substitutable



Potassium is required for healthy growth in plants and increases drought tolerance, appearance, taste, shelf-life and nutritive value

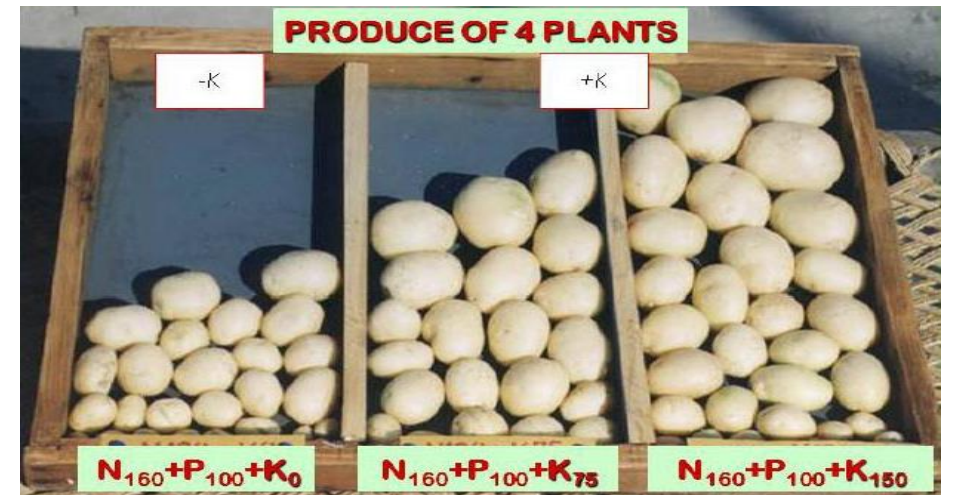


Potash (potassium salt) fertilisers represent ~20% of total fertiliser consumption globally with the common types being MOP, SOP, NOP



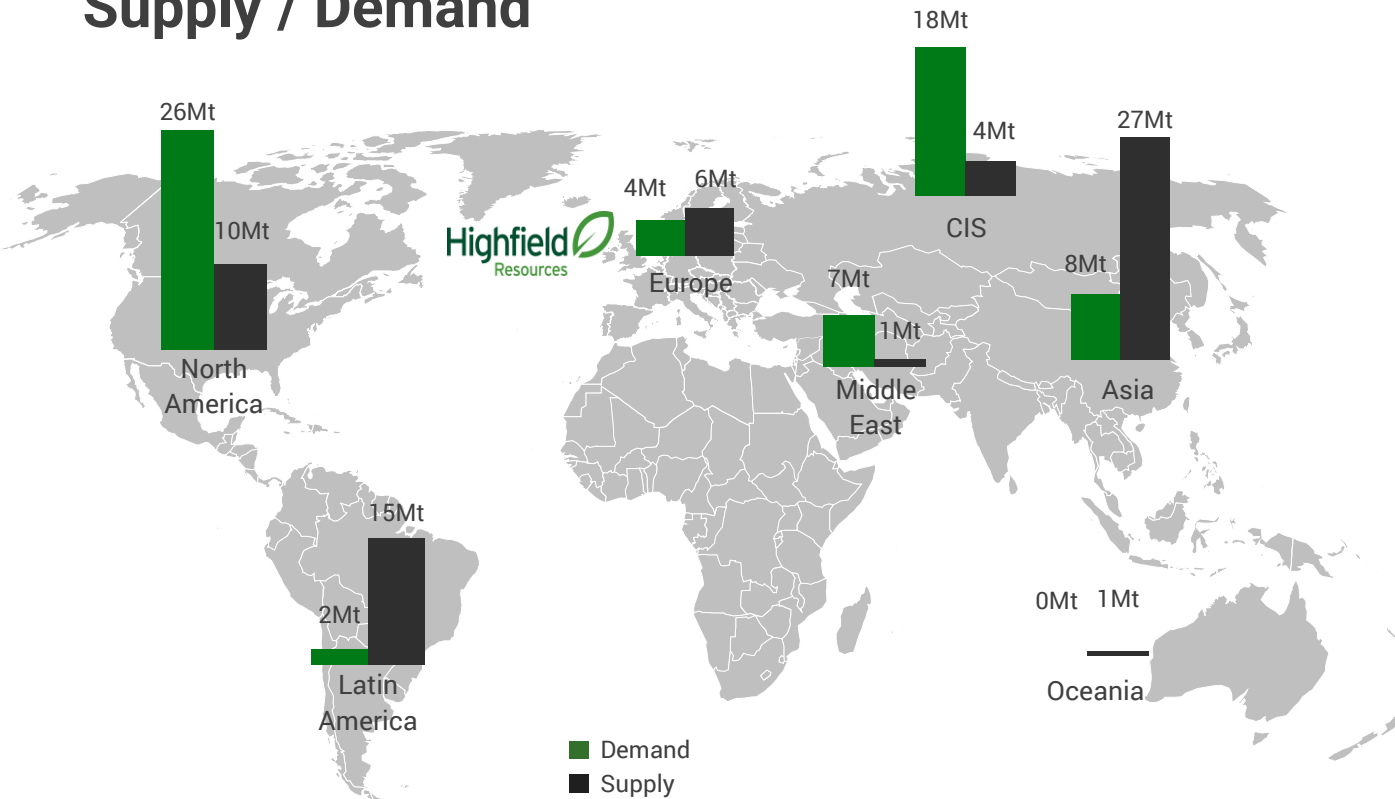
Potash is mostly produced by mining, either underground, open cut, or from brine extraction

7 N Nitrogen	15 P Phosphorus	19 K Potassium	12 Mg Magnesium	16 S Sulfur	20 Ca Calcium		
Primary Macro-Nutrients			Secondary Macro-Nutrients				
5 B Boron	17 Cl Chlorine	25 Mn Manganese	26 Fe Iron	28 Ni Nickel	29 Cu Copper	30 Zn Zinc	42 Mo Molybdenum
Micro-Nutrients							



Potash Market Overview

Supply / Demand



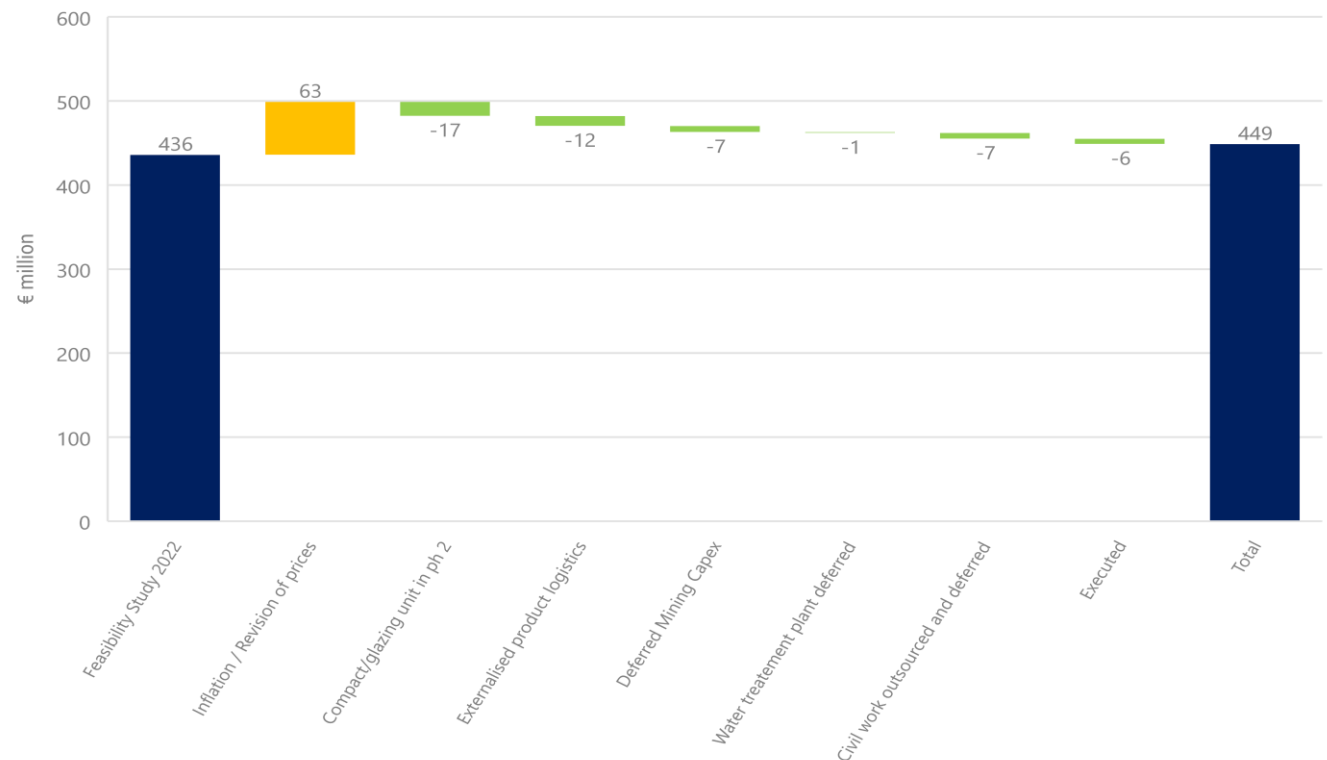
- Potash supply is highly concentrated with Top 5 countries producing 85% of global supply
- Low logistics cost is a key part of a potash producer’s competitive advantage
- 3 of the top 5 have significant geopolitical risk
- 47% of European imports were from Russia and Belarus (4-year average)
- Consumers in Europe (and globally) facing growing difficulties in sourcing MOP
- European supply has been shrinking over the last decade
- Disruptions are rewriting the global MOP flows and placing the focus on local supply sources like Muga.

Highfield’s Muga Potash mine has planned output of 1Mtpa, accounting for 2% of global supply potential - large enough to play into customer demand and unlikely to disrupt pricing dynamics.

Outstanding Project Economics

Overview of Feasibility Outcomes	November 2023
CAPEX phase 1 (500,000 tpa MOP)	€449 million
CAPEX phase 2 (Additional 500,000 tpa MOP)	€286 million
Total CAPEX	€735 million
ROM tonnes	173.7 million tonnes
Average plant tonnage feed rate	800 tph
K ₂ O grade	10.5%
KCl recovery	91%
LOM MOP production ¹	27.5 million tonnes
LOM MOP average potash prices ¹	€436/t
Foreign exchange Euro:USD	1:1.07
De-icing salt production	8.5 Mt
Vacuum salt production	15.9 Mt
C1 cost	€108/t
Tax rate (Navarra)	28%
Life of mine	30 years
NPV ₈	€1.82 billion
IRR	23%

CAPEX PHASE 1: RECONCILIATION



¹ The production target set out in this update is derived from Proved and Probable Ore Reserves, additional Measured, Indicated and Inferred Mineral Resources from the Muga-Vipasca tenement as well as the Exploration Target at the Vipasca and Muga Sur tenements. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The potential quantity and grade of an Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised. The technical parameters underpinning the Mineral Resource in the market announcement dated 30 March 2021 and the Exploration Target in the market announcement dated 23 November 2021 continue to apply and have not materially changed.

The Company confirms that all material assumptions underpinning these figures, in-line with the initial public report released on 7 November 2023 (refer ASX release "Updated Muga Feasibility Study"), continue to apply and have not materially changed.



ASX:HFR

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