



STRATEGIC FINANCING PROCESS UPDATE

Highfield Resources (ASX: **HFR**) (**Highfield** or the **Company**) is pleased to provide an update on the Company's progress in securing the remaining funding for Phase 1 of the Muga Potash Mine (**Muga** or the **Mine**), located in northern Spain.

Highfield's Muga Potash Mine is set to deliver a new global and secure source of Potash, a critical input in fertilizers to increase crop yields which play a key role in reducing the risk of food insecurity for the world's increasing population. The Muga Project is fully permitted and construction ready, subject to financing, and importantly is strategically located in the middle of the European market providing key competitive advantages with respect to access to customer markets and superior economics.

Further to its announcement on 30 April 2024 (refer ASX, "Contract Signed For Construction of Civil Works at Muga"), the Company has made good progress with a combination of potential investors from a range of sources including offtake customers, equity investors, strategic business partners and royalty providers, in relation to negotiations for transactions that are expected to deliver Highfield the funding required for Muga phase 1 capex. There can be no guarantee that binding agreements in relation to any such transactions will be entered into.

The Company has been working to conclude these negotiations in Q2 2024. However, the negotiations remain incomplete and the Company now expects to finalise the negotiations early to mid Q3 2024. Highfield will update the market in accordance with its continuous disclosure obligations.

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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 planning on commencing full scale construction of its flagship low cost, low capex Muga Project in Spain having finalised the initial site preparatory work and having received all permits and key licences. With the Mining Concession being granted in 2021, the ramp construction licence in Aragón in 2022 and the process plant construction licence in Navarra in 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.

FIGURE 1: LOCATION OF MUGA-VIPASCA, PINTANOS, AND SIERRA DEL PERDÓN TENEMENT AREAS IN NORTHERN SPAIN.

