

INVESTOR CALL

Following the release of the Highfield Resources' ("Highfield" or the "Company") corporate presentation and quarterly activities report, the Company will hold an investor call to provide additional context which will be held on 30 July 2024 at 3:30pm AEST.

Call details

Event: Highfield Resources Investor Call
Presenter: Ignacio Salazar, Chief Executive Officer
Date: Tuesday 30th July 2024
Time: 3.30pm AEST
Where: Conference call

Please find pre-registration link here: <https://s1.c-conf.com/diamondpass/10040639-qs8b2f.html>

For more information, contact:

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Transitioning Muga To Construction

Corporate presentation
30 July 2024 | ASX:HFR



Disclaimer

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

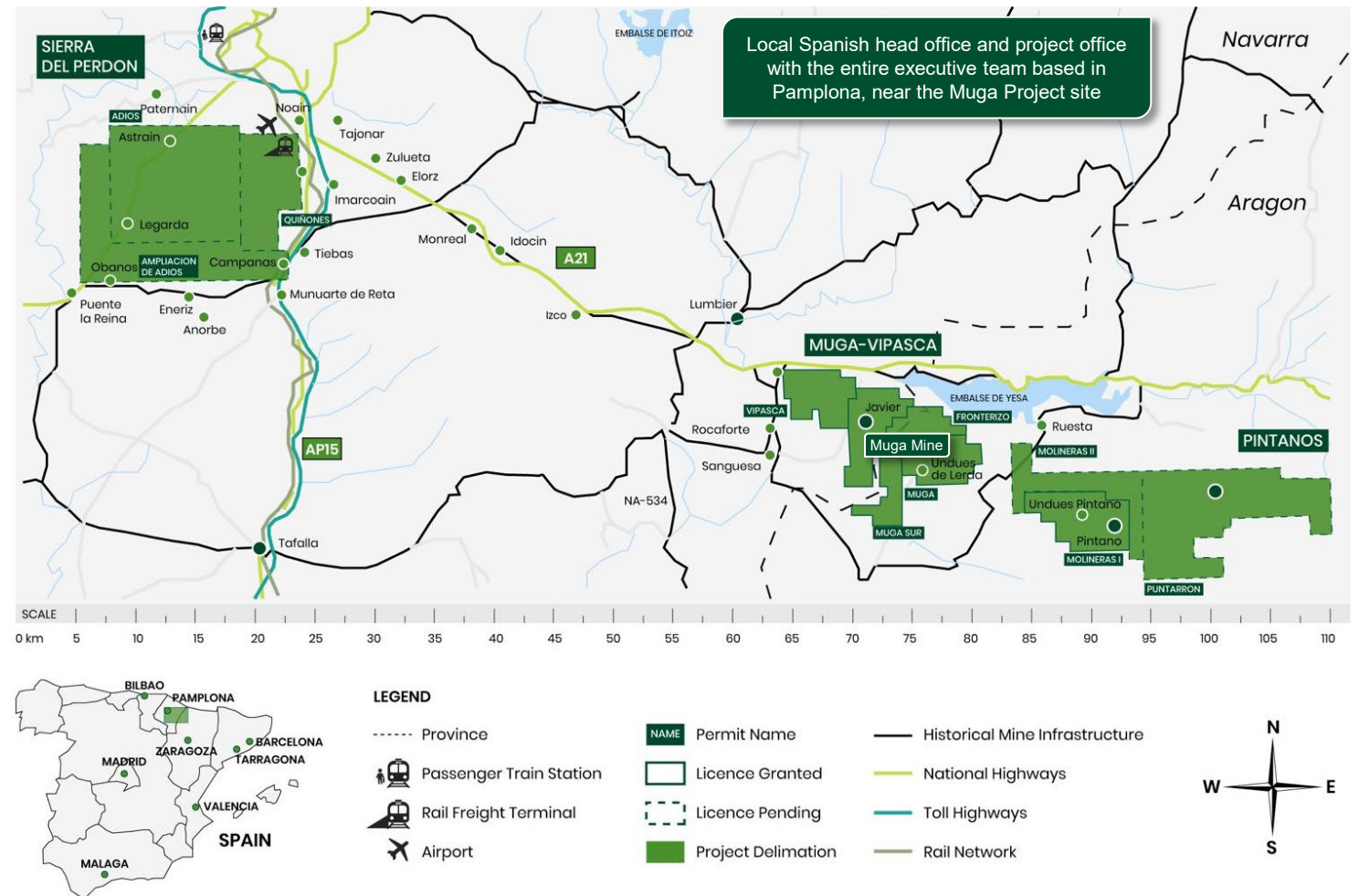
The production target set out in this update is derived from Proved and Probable Ore Reserves, additional Measured, Indicated and Inferred Mineral Resources from the Muga-Vipasca tenement as well as the Exploration Target at the Vipasca and Muga Sur tenements. There is a low level of geological confidence 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.

Muga Project Overview

A potash developer listed on the ASX (HFR) with projects in Northern Spain

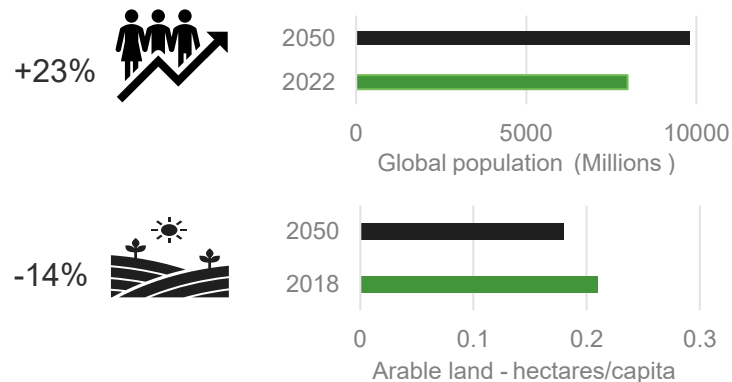
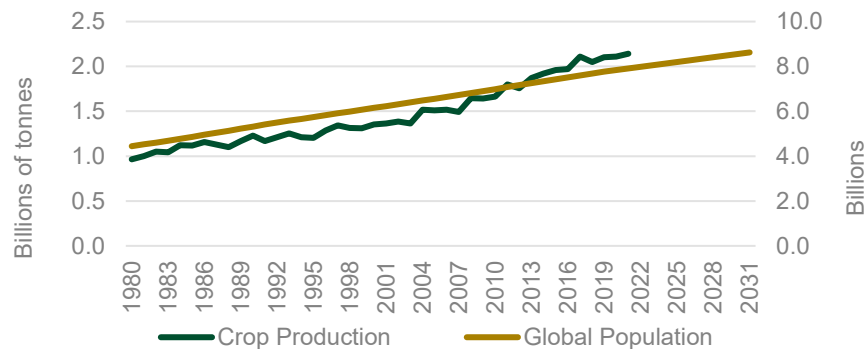
Muga is a two-phase project which will produce a total of 1 Mtpa of muriate of potash (MOP)

Conventional Underground Room and Pillar mining and Flotation and Crystallisation processing.
Declines accessing shallow mineralisation

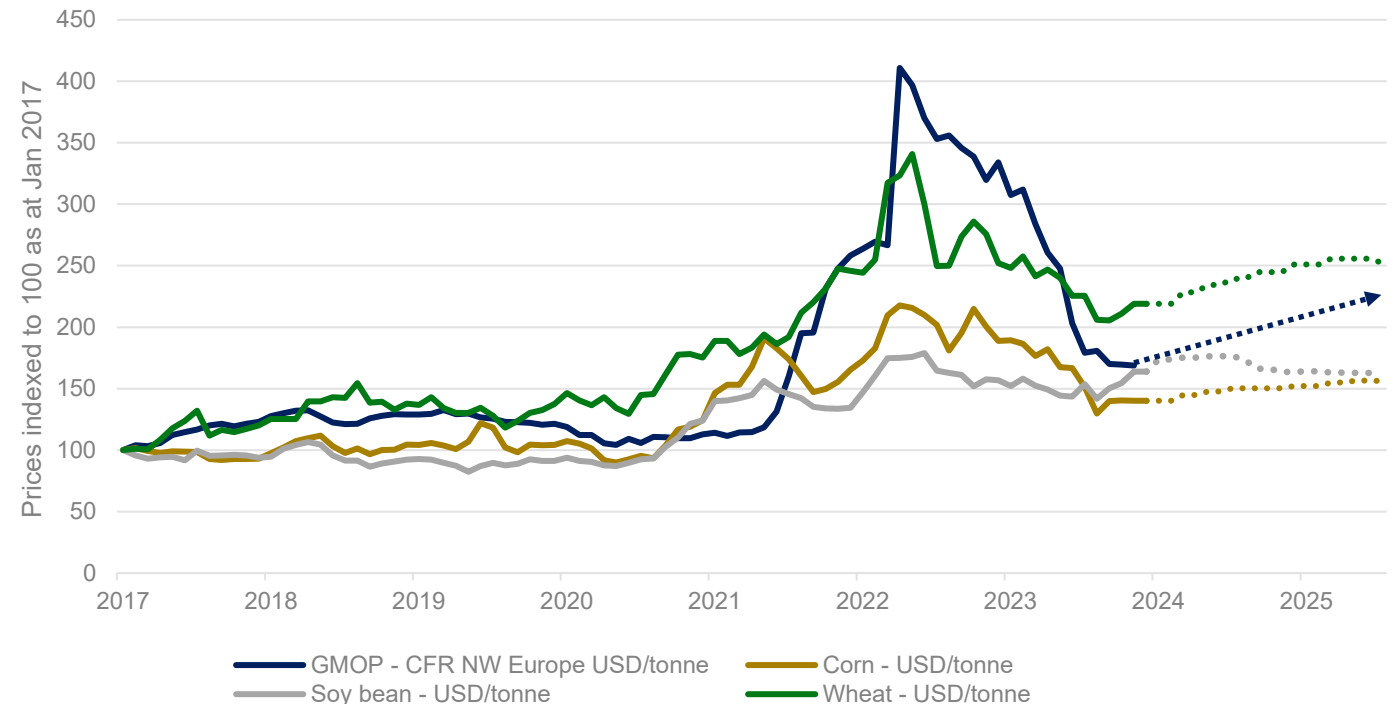


Potash Market Overview

With global population increasing and arable land decreasing,
food security will only be achieved with more fertiliser use



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



INTRODUCTION AND PROGRESS



HFR Progress Report: permitting, construction and funding

Highfield has continued to make significant progress



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



Successful expropriation process: Access to all land for the project



Construction: Preliminary works at the mine gate and earthmoving. Key Construction Contracts (ramps and civil works) signed



Economics: Updated feasibility study reconfirms compelling economics of Muga



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



Transformational deal for the Company: Signed non-binding LOI with Yankuang Energy¹

¹ refer ASX Announcement 19 July 2024, "LOI for Cooperation on Strategic Investment" and 23 July 2024 "Retraction"

Construction Progress Report

- Construction contract for the declines and underground mining infrastructure signed with the Portuguese/Spanish joint venture, EPOS-TUNELAN.
- Civil works contract signed with Acciona Construcción, S.A., a well-known Spanish international construction company with significant experience
- Approximately two thirds of the planned construction budget has now been awarded, following the signing of the declines and underground mining infrastructure, and the civil works contract
- Value of construction contracts awarded align with estimates in the Updated Muga Feasibility Study of 7 November 2023

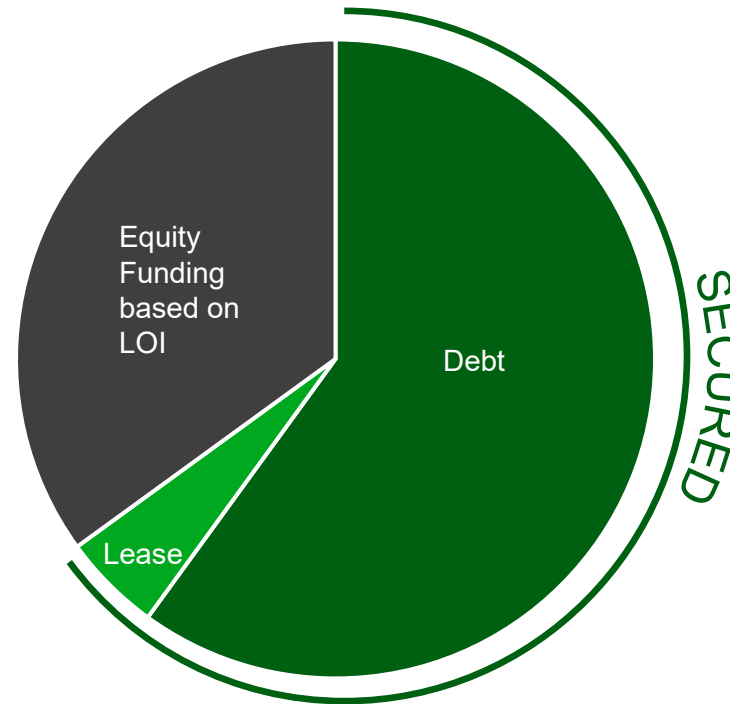


Significantly Progressed Financing Strategy post the LOI

PHASE 1 MUGA PROJECT CAPITAL ESTIMATED FUNDING

FUNDING IN PROGRESS²

- Signed non-binding LOI for Cooperation with Yankuang Energy Group Co., Ltd and a number of strategic investors
- The Proposed Cooperation would entail the raising of US\$220 million of equity capital by Highfield from strategic investors (Cornerstone Placement) and
- The inter-conditional acquisition from Yankuang Energy of the Southey potash project in Saskatchewan, Canada by way of a direct or indirect acquisition of 100% of the shares in Yancoal Canada (a subsidiary of Yankuang Energy),



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



Overview of Proposed Cooperation

Cornerstone Placement³

- Highfield proposes to issue to Yankuang Energy and a number of strategic investors new Highfield ordinary shares.
- The Cornerstone Placement is expected to raise an aggregate of US\$220 million, with proceeds to be used for funding of the Muga Phase 1 project.
- Yankuang Energy intends to provide up to US\$90 million to support the Cornerstone Placement with the other strategic investors providing at least US\$130 million. In the event that the other strategic investors subscribe more than US\$130 million before signing of Final Agreement or the completion of Cornerstone Placement, the amount subscribed by Yankuang Energy will reduce accordingly.

Southey Vend-in³

- Highfield proposes to acquire the Southey potash project in Canada (Southey Project) held by Yancoal Canada by way of a direct or indirect acquisition of 100% of the shares in Yancoal Canada, with issue new ordinary shares of Highfield as consideration.

³ refer ASX Announcement 19 July 2024, "LOI for Cooperation on Strategic Investment" and 23 July 2024 "Retraction"

Experienced Management Team



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, CIBAGEIGY. 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



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, GrupoMondragón, 3P Biopharmaceuticals and Aladium

WHY HIGHFIELD RESOURCES?



Why Highfield Resources?

The Muga
Potash Mine is
set to deliver a
new European
secure source of
Potash into a
global market
hungry for
fertilizers

Potash market
has attractive
long-term
fundamentals

A critical future
facing commodity
leveraged to
food security
Thematic



1) Location.
2) Shallow
mineralization.
3) Infrastructure
in place

Forecast to be
one of the
highest margin
potash mines
globally

Targeting **€340
million per
annum EBITDA⁴**
Potash operation
in full production

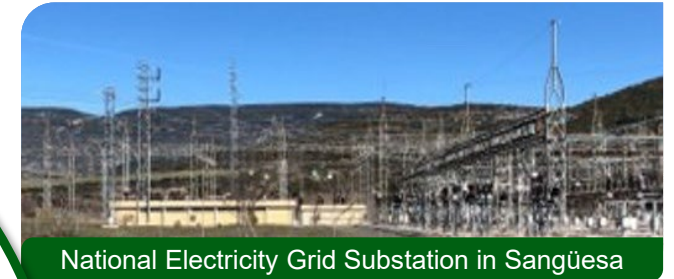
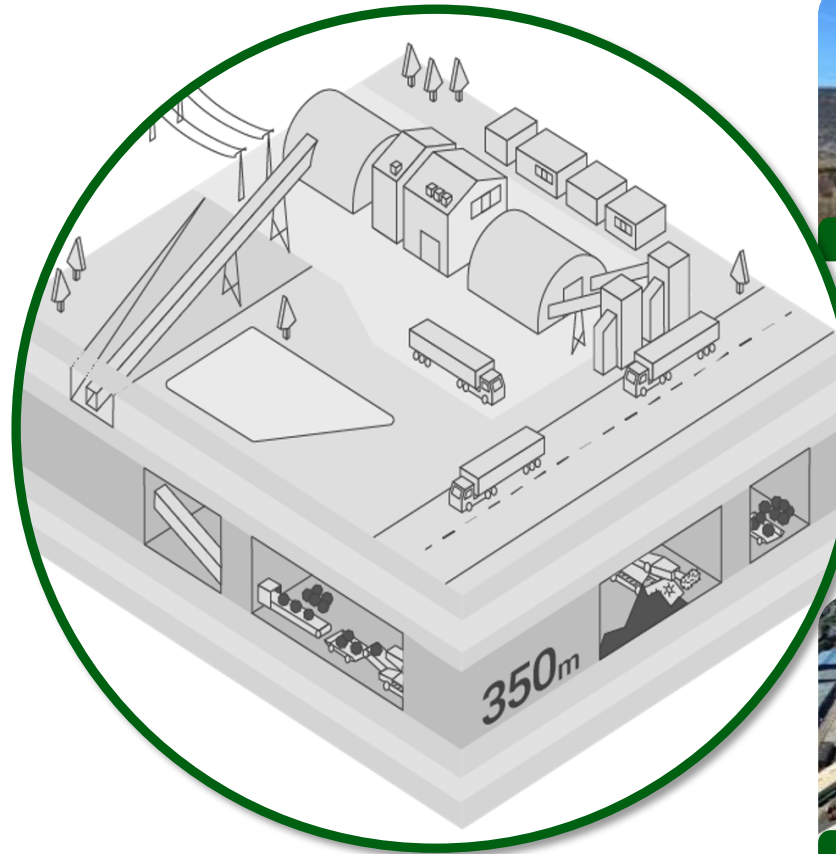
Fully
permitted and
shovel ready
project in
Spain

⁴ See ASX Release "Muga Potash Mine Updated 2023 Feasibility Study" 7 November 2023

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 "Muga Project Updated 2023 Feasibility Study") continue to apply and have not materially changed.

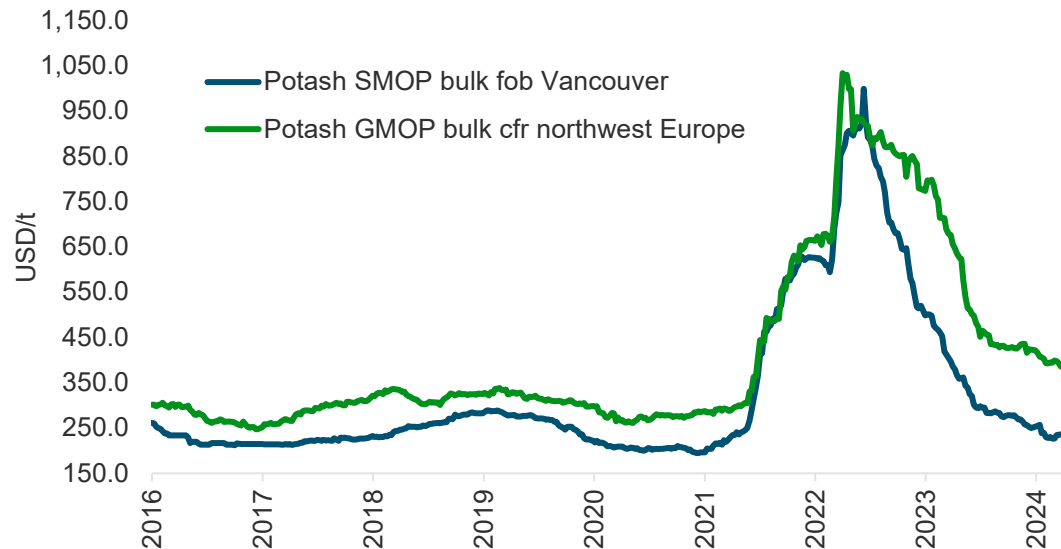
Location, Shallow Mineralization, and Tier-One Infrastructure in Place

- **Location is a Key Competitive Advantage**, strategically located in the middle of the premium European market
- **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



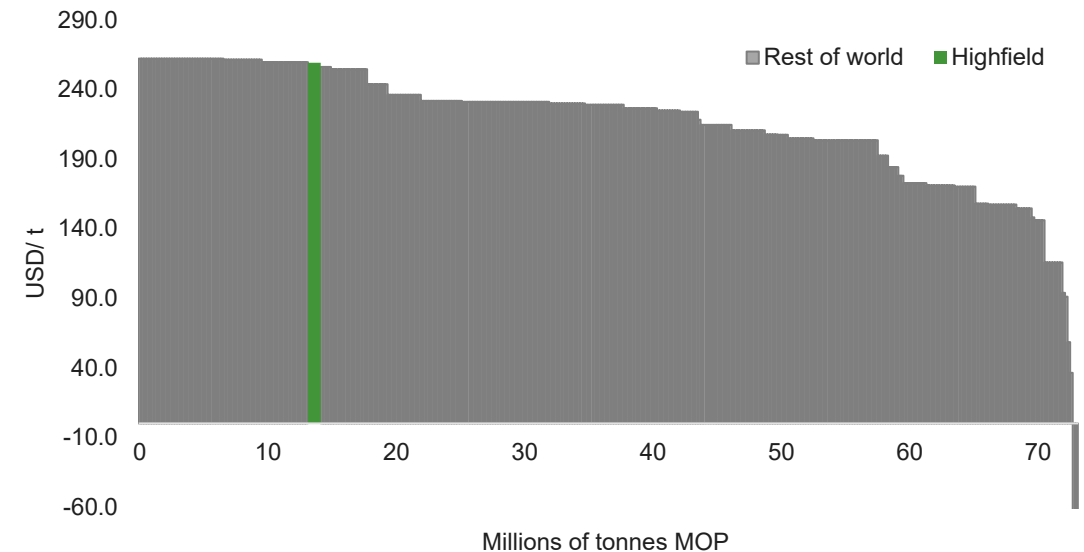
Top Quartile Margins

Europe trades at a premium to other markets



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

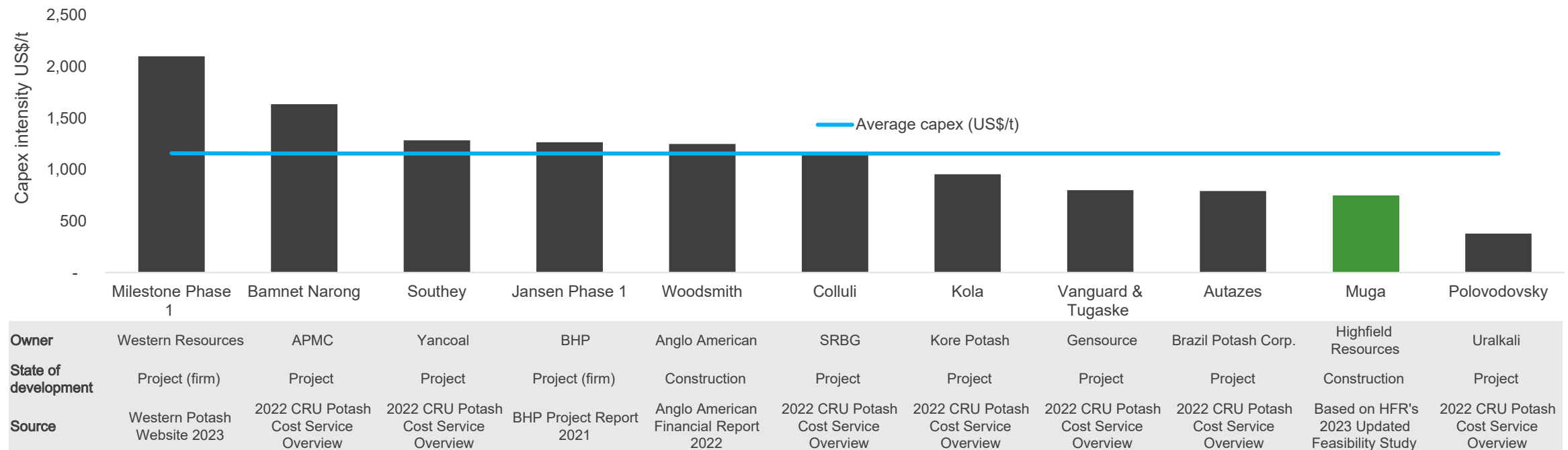
Margin curve forecast for 2026 (real US\$)



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 7 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

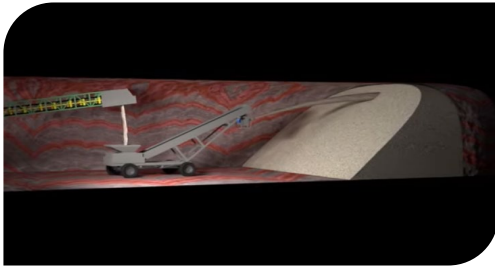
Resource

- 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.



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

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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

LOI & SOUTHEY PROJECT

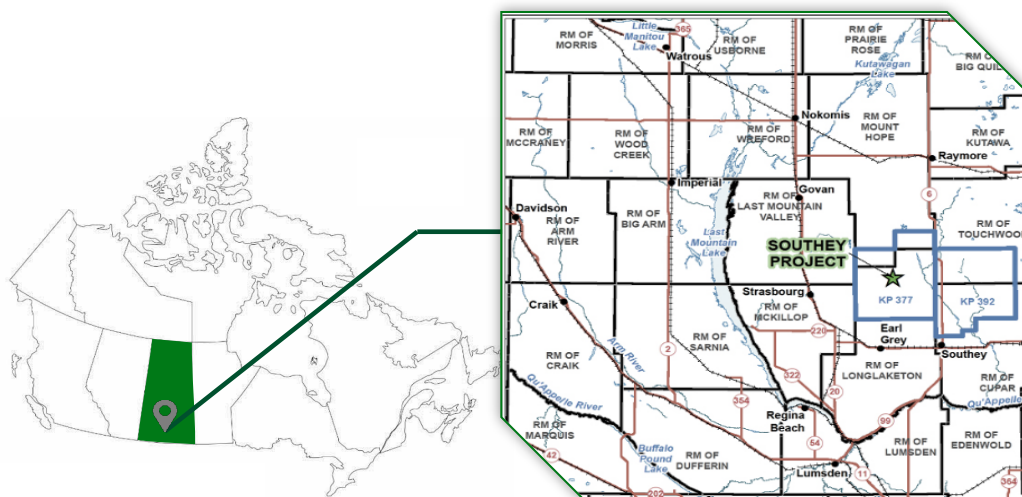


Strategic Rationale of LOI

- 1 Establishing a leading pure play potash company with a diversified portfolio of projects in tier-1 jurisdictions underpinned by strong ESG credentials
- 2 Tangible near-term production with Muga construction ready and fully funded post completion of the Proposed Transaction
- 3 Highly complementary asset portfolio with opportunity to unlock significant value upside from Muga Phase 2 and Southey
- 4 Experienced leadership team with a proven track record that will be supported by a strong and well funded shareholder base
- 5 Supportive market fundamentals with structural demand tailwinds

Southey is a Solution Mining Potash Project

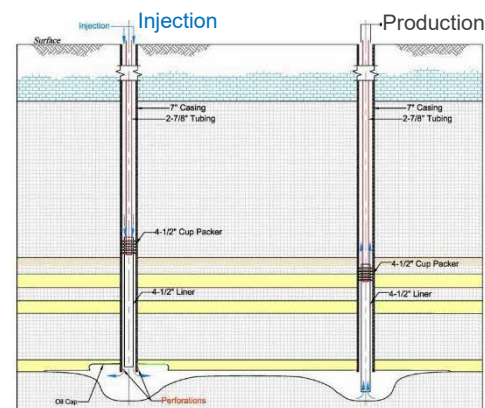
- Southey is a greenfield potash mine project located approximately 60 km north of Regina, Saskatchewan Canada
- Southey is wholly owned by Yancoal Canada Resources Co. , Ltd
- The Southey project has an area of approximately 390 square kilometers
- Southey is a solution mining potash project with environmental approval in place and a feasibility study completed



Key Mining Steps

Southey is a solution mining potash project

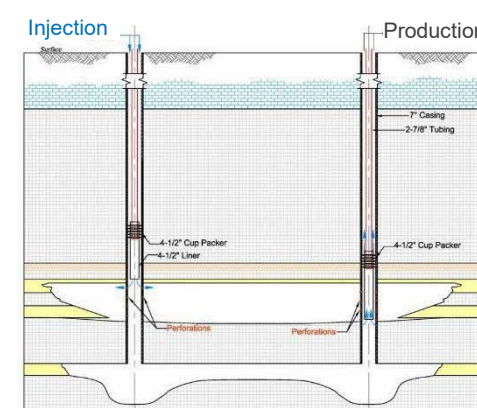
1 Primary Mining



Second Red Bed
Patience Lake
Belle Plaine
Esterhazy

- The injection well injects fresh water at the top of mining slice, and the production well retrieves production fluid from the lower portion of the cavern
- Mode of the wells will reverse when cavern roof area reaches about 60%
- Utilize a specialized pressurization technical when reaching the top of the lower mining area

2 Secondary Mining



Second Red Bed
Patience Lake
Belle Plaine
Esterhazy

- Change injection fluid to saturated NaCl brine upon completion of the primary production phase
- Both the KCl on the roof of the cavern and walls of the uppermost potash member can be mined
- Electric Submersible Pump (ESP) to be installed to assist the lifting the production brine to the surface



ASX:HFR

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