

## September 2025 Quarterly Activities Report

### HIGHLIGHTS

- Shortly after quarter end Highfield Resources Limited (“Highfield” or the “Company”) secured a A\$10 million investment from existing strategic shareholders, funds managed by EMR Capital Management Limited, Tectonic Investment Management and from another existing investor, together with an extension of the maturity date of the Company’s existing convertible notes (*refer ASX announcement dated 14 October 2025, “Highfield Secures A\$10M of Financial Support”*).
- This followed:
  - A decision by China Minmetals Corporation and its subsidiary Qinghai Salt Lake Industry Co., Ltd. not to proceed with the proposed strategic transaction contemplated under the non-binding Letter of Intent with Highfield and Yankuang Energy Group Co., Ltd (“Yankuang Energy”) (*refer to ASX announcement dated 18 August 2025, “Update on Proposed Strategic Investment”*); and
  - Subsequent notice received from Yankuang Energy terminating the implementation agreement (and the associated equity subscription agreement) for the strategic transaction (*refer to the ASX announcement dated 24 September 2024, “Creation of a New Globally Diversified Potash Company”*).
- During the quarter the Company agreed that the last remaining lenders under the Senior Secured Project Finance Facility (the “Facility”), being ING, HSBC and Caja Rural de Navarra, would exit the Facility. No further commitment fees will accrue (*refer ASX announcement dated 11 September 2025, “Project Finance Facility Update”*).
- The President and Government of Navarra provided a letter of institutional support for the Muga Project in August 2025.
- Highfield Board Changes - EMR nominated Non-Executive Director, Mr Luke Anderson, stepped down on 23 September 2025 to focus on a full time executive role with another organization and Group executive and director general of the Company’s wholly owned Spanish subsidiary, Geoalcali S.L.U., Mr Carles Aleman, was appointed on 23 September 2025.
- The disciplined approach to cash management continued during the quarter with non-essential expenditure postponed or cancelled and the extension of the staff and consultant furlough scheme (implemented on 1 March 2025, equivalent to 20% to 50% of total salaries).
- A\$3.98 million cash at bank at 30 September 2025.

European potash developer, Highfield Resources Limited (ASX.HFR) ("Highfield", or the "Company") provides an update on its activities in progressing the development of its world class Muga Potash mine ("Muga"), located in northern Spain for the quarter ended 30 September 2025.

## PROJECT UPDATE

### Strategic Financing Update

During the quarter, China Minmetals Corporation ("CMC") and its subsidiary Qinghai Salt Lake Industry Co., Ltd. ("QSL") informed Highfield and Yankuang Energy of their decision not to proceed with the proposed strategic transaction contemplated under the non-binding Letter of Intent ("LOI"), details of which were announced to ASX on 13 May 2025, 4 July 2025 and 18 July 2025. (refer to the ASX announcement dated 18 August 2025, "Update on Proposed Strategic Investment").

Shortly after the CMC announcement Highfield received notice from Yankuang Energy terminating the implementation agreement (and the associated equity subscription agreement) between Yankuang Energy and the Company (refer to the ASX announcement dated 16 September 2025, "Termination of Implementation Agreement with Yankuang").

### Senior Loan and Lease Facility

The Company agreed that the last remaining lenders under its Senior Secured Project Finance Facility (the "Facility"), being ING, HSBC and Caja Rural de Navarra, would exit the Facility (refer to the announcement dated 11 September 2025, "Project Finance Facility Update").

With the departure of ING, HSBC and Caja Rural de Navarra, the Facility has now been fully terminated. The original financing documents for the Facility were signed in December 2022 (see ASX announcement dated 15 December 2022, "Project Financing - Definitive Documentation Signed"), with additional lenders joining in April 2023 (see ASX announcement dated 17 April 2023, "Additional Lenders join Senior Project Financing Group").

The structure of the Facility required the Company to pay commitment fees to the lenders. Given the Company's current focus on preserving cash and providing a cash runway to the start of 2027, Highfield requested the deferral or cancellation of certain commitment fees payable under the Facility. The termination of the Facility was the only viable solution in these circumstances to ensure no further commitment fees were accrued.

### Permitting update

As previously disclosed (refer to the ASX announcement dated 23 October 2024 "Quarterly Activities / Appendix 5B Cash Flow Report" and ASX announcement dated 28 October 2024 "Goyo Mining Concession Update" for further details), the Government of Navarra received a ruling from the regional Superior Court of Justice of Navarra ("TSJN") which identified a procedural flaw in the internal administrative coordination process in relation to the granting of the Goyo mining concession. The procedural flaw related to the fact that while Highfield had received Government advice to apply for three separate mining concessions in 2014, being Goyo, Muga, and Fronterizo, the TSJN held that, procedurally, a single unified concession should have been issued instead. Importantly, the ruling did not challenge the Muga Project's technical assessments, or any technical information provided by the Company. Highfield continues to actively engage with the relevant government administrations in relation to the steps to be taken to rectify the procedural flaw.

While the Governments of Navarra, Aragón, and Spain have applied to the Spanish Supreme Court ("TS") for leave to appeal the TSJN ruling relating to the procedural flaw on the Goyo Concession and a decision is expected to be received from the TS in November 2025 there can be no guarantee that this timeline will not be extended by the Court.

Following a decision by the TS, the Spanish judicial process will either continue, which could be a protracted process, or an administrative solution could be sought. The Company believes the later may prove to be a swifter resolution. Highfield will update the market, and any steps that follow, once the Court's decision is received.

The Company also announced that the Government of Navarra had reaffirmed its institutional support for Muga (refer ASX announcement dated 28 August 2025, "Positive Support from Government of Navarra and Update on Goyo Concession").

Ms Chivite, the President of Navarra, said: *"The Government of Navarra reaffirms its institutional support for Muga and thanks Highfield Resources and other investors for driving forward this type of project. Initiatives such as this contribute to consolidating a stronger economic fabric, reinforcing strategic sectors such as agrifood, and advancing towards a sustainable and balanced growth model."*

## POTASH MARKET

Global underlying potash supply-demand fundamentals remain broadly unchanged from the previous quarter, although ongoing geopolitical tensions are persisting, granular MOP prices in Europe have remained around the €380 per tonne range.

## EXPLORATION

There were no significant exploration works during the quarter. The current priority for the Company remains the development and construction of the Muga Potash mine.

## CORPORATE

### Board update

During the quarter, EMR nominated Non-Executive Director, Mr Luke Anderson, stepped down from the Board of the Company with effect from 23 September 2025 to focus on a full time executive role with another organisation. Mr Carles Aleman, a Group executive and the director general of the Company's wholly owned Spanish subsidiary, Geoalcali S.L.U. (Geoalcali) joined the Highfield Board on 23 September 2025 (see ASX announcement dated 23 September 2025, "Board Changes").

The Board would like to thank Mr Anderson for his hard work and dedication to Highfield and welcomes Mr Aleman to the Highfield Board.

Mr Aleman has over 30 years of international leadership experience in the chemical and mining industries and prior to joining Geoalcali in 2023 as the Head of Plant Construction & HSE for the Muga project he was President of ICL Iberia – a role he had held since 2017. Mr Aleman was appointed as director general of Geoalcali on 16 May 2025 and as part of this important role based in the Company's Pamplona office, he leads all local operations in Spain and manages communications with Spanish and regional government stakeholders.

## Finance update

Following a period of voluntary suspension in trading (refer ASX announcement dated 2 October 2025, “Voluntary Suspension Request”), Highfield entered into a binding term sheet (the “Binding Term Sheet”) with each of EMR Capital, Tectonic and an another existing investor (together, the “Lenders”) for an investment of A\$10 million in the form of convertible notes (the “New Convertible Notes” or “New Notes”) and amendments to, including an extension to the maturity date of, the terms of the convertible notes announced by Highfield in May and December 2023 (the “Existing Convertible Notes” or “Existing Notes” and, together with the New Notes, the “Notes”) to bring them into line with the terms of the New Notes. The Company will use the net proceeds of this investment to address the Goyo mining concession administrative matter, as well as to reengage with strategic partners in relation to its flagship Muga Potash Project (the “Project”) and for working capital (refer ASX announcement dated 14 October 2025, “Highfield Secures A\$10M of Financial Support”).

## **Investment overview**

The Lenders agreed to make the investment by way of the New Notes, which are limited security loan notes, convertible into fully paid ordinary shares in the Company. Key terms for the New Notes set out in the Binding Term Sheet include:

- EMR Capital to invest A\$2 million, Tectonic A\$5 million and another investor A\$3 million (in aggregate, the “**Loan Amount**”). The investment by EMR Capital is in lieu of the stand-by loan facility announced by Highfield on 13 May 2025 (refer to the ASX announcement of that date, “Highfield Secures Additional Financial Support from EMR Capital”) (which was undrawn at the date of the Binding Term Sheet);
- A maturity date of 12 months after the date of issuance of the New Notes (“**Maturity Date**”);
- The Loan Amount will be drawn down in tranches during the period November 2025 (or such later date as the Conditions (as defined below) are satisfied) to September 2026, provided that the consent of the Lenders to draw downs of amounts above A\$5.15 million will be required in the event that the Spanish Supreme Court allows an appeal in relation to the Goyo permit. The Company believes that the A\$5.15 million to be provided by the Lenders will provide it with sufficient working capital to carry on its operations through to October 2026, given the robust and conservative budget which it has put in place for its working capital needs for the next 12 months. The remainder of the Loan Amount, if received by the Company, will provide the Highfield group with sufficient funding through to Q1, 2027;
- The Lenders may choose to convert all or some of the total amount outstanding New Convertible Notes into fully paid ordinary shares in the Company (“**Shares**”) at any time;
- The conversion price for the New Convertible Notes is the lower of (i) A\$0.06, (ii) a 25% discount to the price implied by a change of control transaction relating to the Company and (iii) a 10% discount to the price of any future equity securities capital raising undertaken by the Company (subject to a floor of A\$0.03 (“**Floor Price**”));
- Each New Note will bear interest at the rate of 18% p.a. provided that additional default interest of 4% p.a. will be payable while an event of default subsists. Interest on the investment will be paid in kind via addition to the Loan Amount; and

# ASX ANNOUNCEMENT

23 October 2025

Highfield  
Resources



- The New Convertible Notes are secured by the same security that was granted in September 2023 for the previous investment, including a share pledge over all of the shares in and shareholder loans to, the Company's indirect wholly owned subsidiary Geoalcali S.L.U. ("Geoalcali") (which owns the Project), provided that such security will be amended to remove the restrictions set out in paragraphs 1.3.3 and 1.3.4 of the waiver obtained from ASX from Listing Rule 10.1 ("Waiver") (refer to the ASX announcement of 12 September 2025, "Highfield secures ASX waiver") ("Notes Security Amendment").

The Binding Term Sheet also provides that the terms of the Existing Notes will be amended to be consistent with the New Notes (including the terms of the Existing Notes relating to maturity date, interest rate, conversion price, undertakings and events of default) ("Existing Notes Amendment"). Accordingly, the maturity date of the Existing Notes will be the Maturity Date (i.e. 12 months after the date of issuance of the New Notes).

A disciplined approach to cash management remains ongoing. The Company has continued to postpone or cancel non-essential expenditure. Furthermore, the furlough scheme implemented on 1 March 2025, equivalent to 20% to 50% of total salaries was extended with staff support and headcount has been reduced by 20%. These changes have generated a saving of 40% in monthly payments over the last few months.

## PAYMENTS TO RELATED PARTIES

As outlined in section 6 of the attached Appendix 5B, payments to related parties of the entity and their associates, totals A\$80k, relate to salaries and fees paid to executive and non-executive Directors during the quarter.

## Q4 2025 ACTIVITIES

- Finalise convertible note investment including shareholder approval by mid December 2025
- Management roadshow in Australia
- Advance the solution to the Goyo mining concession administrative matter
- Advance the construction readiness plan for Muga

-ENDS-

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

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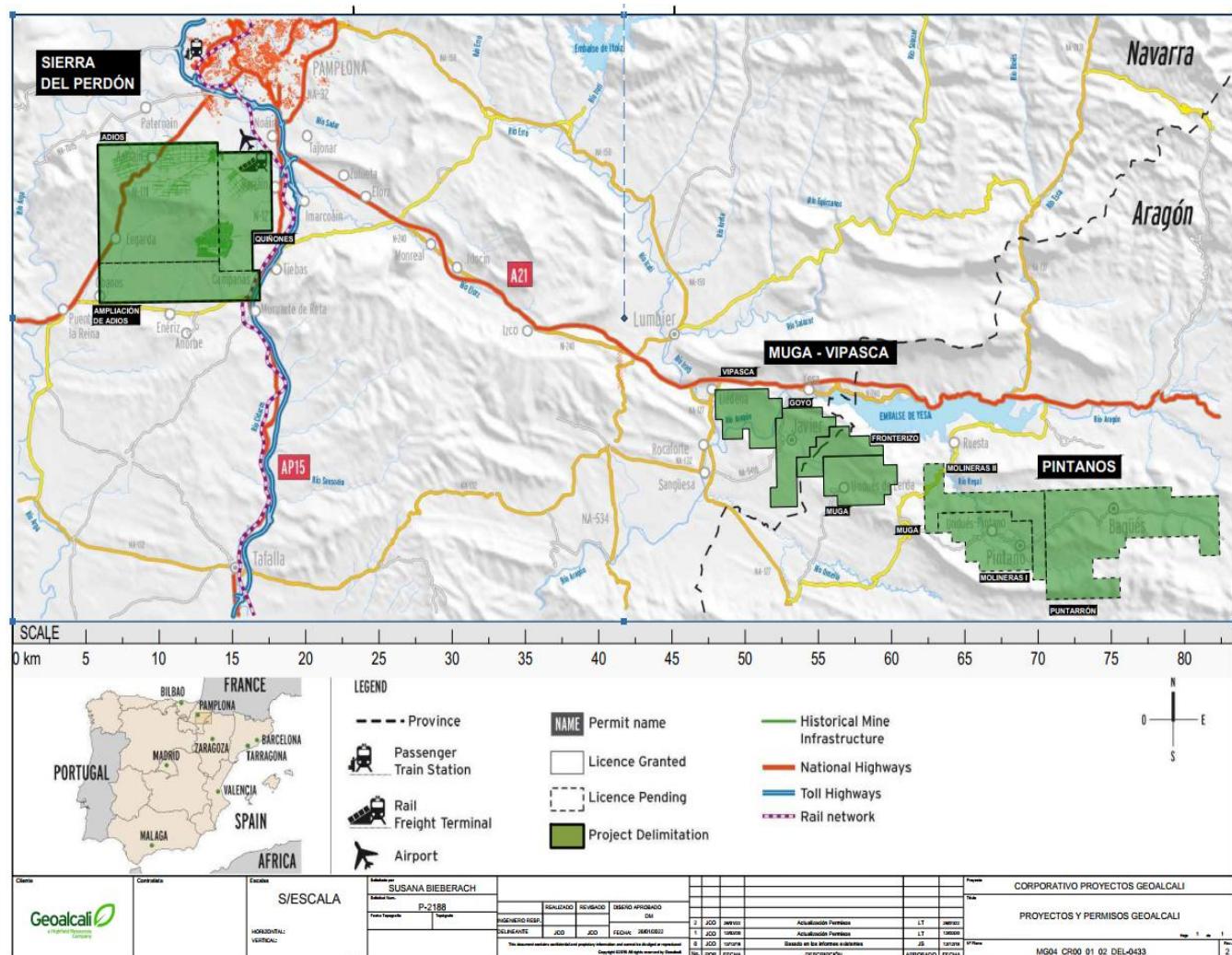
## About Highfield Resources

Highfield Resources is an ASX listed potash company which is planning on commencing full scale construction of its flagship high margin, low capex Muga Project in Spain having finalised the initial site preparatory work and having received all permits and key licences. Muga's Mining Concession was 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 and no aquifers above it there is no need to build a shaft. There is high 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.

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 250km<sup>2</sup>.

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



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

HIGHFIELD RESOURCES LIMITED

ABN

51 153 918 257

Quarter ended ("current quarter")

30 September 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs	(350)	(1,813)
(e) administration and corporate costs	(1,685)	(5,172)
1.3 Dividends received (see note 3)		
1.4 Interest received	12	87
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (GST/VAT refunded)	2	567
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,021)</b>	<b>(6,331)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	(487)	(2,276)
(e) investments		
(f) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(487)</b>	<b>(2,276)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		8,001
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(126)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		(7,689)
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>		<b>186</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	6,432	11,960
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,021)	(6,331)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(487)	(2,276)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		186

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(29)	356
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,895</b>	<b>3,895</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,895	6,432
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,895</b>	<b>6,432</b>
<b>6. Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1		80
6.2	Aggregate amount of payments to related parties and their associates included in item 2		

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The above payments relate to salaries paid to executive directors and fees paid to non-executive Directors during the quarter.

<b>7. Financing facilities</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	33,644	33,644
7.5	<b>Unused financing facilities available at quarter end</b>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>Other financing facilities refer to the convertible note formalised in two tranches in May 2023 and December 2023 (refer ASX 23 May 2023, "Key Strategic Investment of A\$25m Secured" and ASX 22 December 2023, "Highfield secures US\$6 million to advance Muga potash mine toward construction", respectively) and subscribed by EMR Capital Management Ltd., Tectonic Investment Management and another institutional investor as the lenders.</p> <p>The debt will accrue interests (at a 14% per annum) that will be paid in kind via addition to the convertible notes amount and will mandatorily be converted into fully paid ordinary shares in the Company before the first drawdown of the Senior Loan Facility secured with a group of international banks to fund the Muga Project.</p> <p>A 18% per annum default interest has been applied since the termination of the Senior Loan Facility (refer ASX 11 September 2025, "Project Finance Facility update").</p> <p>The notes are secured by a share pledge over all the shares in and shareholder loans to, the Spanish subsidiary, Geoalcali, S.L.U. which owns and is developing the Muga Project.</p> <p>On 13 May 2025, EMR and the noteholders agreed to extend the maturity of its convertible loan notes, originally due to mature in June 2025, with further amendments made on 31 July 2025 to allow extensions contingent on the then ongoing funding transaction with a Chinese investor.</p> <p>On 11 September 2025, the noteholders agreed to provide a further period of forbearance relating to the enforcement of their security interests until 31 October 2025.</p> <p>Subsequent to this date the noteholders have agreed to extend the maturity date of their convertible notes as outlined to the market (refer ASX 2 October 2025, "Voluntary Suspension Request").</p>			

<b>8. Estimated cash available for future operating activities</b>		<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,021)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(487)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,508)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,895
8.5	Unused finance facilities available at quarter end (Item 7.5)	
8.6	Total available funding (Item 8.4 + Item 8.5)	3,895
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.55
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company does not expect to maintain its current level of operating cash outflows over the coming quarters. This outlook is supported by the cash flow forecast shared with the strategic shareholders involved in the A\$10 million funding agreement (refer ASX 14 October 2025, "HFR secures A\$10m of financial support"). The Company continues to tightly manage its cash resources reducing all non-essential expenditures in line with its detailed cash flow operating budget whilst it progresses resolving the Goyo concession administrative matter.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As noted above, Highfield Resources Limited secured a A\$10 million investment from existing strategic shareholders, including funds managed by EMR Capital Management Limited, Tectonic Investment Management, and another existing investor that will provide runway through Q1, 2027.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to continue operating as a going concern and to meet its current and future liabilities as they fall due, while maintaining uninterrupted business operations.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 October 2025

Authorised by: the Board of Highfield Resources Limited

(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

**Appendix 5B**  
**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.