



## March 2026 Quarterly Activities Report

### HIGHLIGHTS

- **Highfield Resources Limited (“Highfield” or the “Company”)** received the third tranche of the A\$10 million investment secured last year (refer ASX announcement dated 14 October 2025, “Highfield Secures A\$10M of Financial Support”).
- **As at the date of this report, no decision has been received from the Supreme Court of Spain regarding the admission of the Goyo permitting appeal. The Company continues to await the outcome and will update shareholders upon any material developments.**
- **The disciplined approach to cash management continued throughout the quarter, with a 30% reduction in monthly payroll.**
- **A\$2.28 million cash at bank at 31 March 2026.**

---

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 31 March 2026.

### PROJECT UPDATE

#### Permitting update

As at the date of this report, no decision has been received from the Supreme Court of Spain regarding the admission of the appeal relating to the Goyo permit. The Company continues to await the outcome of this process and will update shareholders upon receipt of a ruling or any material developments.

In parallel, Highfield has continued its engagement with relevant authorities at both regional and national levels and has progressed its internal planning to ensure readiness to advance the Project. The Company plans to move forward and pursue a positive resolution of the Goyo permitting matter through the appropriate avenue once clarity is obtained.

### POTASH MARKET

Global potash market fundamentals remain broadly stable, with no material structural shift in underlying supply-demand balance during the quarter. Although sanctions on Belarus by the United States have started to ease, supply continues to be influenced by ongoing geopolitical constraints.

Demand for muriate of potash (MOP) has remained steady over the period, supported by stable agricultural commodity prices and consistent application rates in key consuming regions. In Europe, granular MOP prices have held relatively firm at approximately €380 per tonne, reflecting balanced regional supply and demand conditions.



Looking ahead, market sentiment remains sensitive to geopolitical developments. In particular, any escalation of tensions involving Iran could have second-order effects on energy markets and global fertilizer pricing, potentially driving upward pressure on potash prices. More broadly, the market continues to exhibit tightness at the margin, with limited spare capacity outside a small number of major producers.

Overall, while current pricing remains stable, the medium-term outlook retains a constructive bias, underpinned by constrained supply growth and resilient agricultural demand.

## EXPLORATION

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

## CORPORATE

### Finance update

Highfield received the third tranche of the A\$10 million investment secured in October 2025 from existing strategic shareholders. This funding forms part of the Company's ongoing strategy to maintain financial flexibility while advancing key workstreams related to permitting, project readiness and stakeholder engagement.

The Company has continued to apply a disciplined approach to cash management, with a focus on preserving liquidity during the current phase. Non-essential expenditures have been successfully deferred or eliminated through negotiations with the creditors, ensuring that available capital is prioritised towards critical activities.

In addition, the furlough scheme (ERTE), introduced on 1 March 2025, has been extended through until the end of 2026 with the support of all the staff. Headcount has also been reduced by approximately 30% over recent months, including some senior positions. Collectively, these measures have delivered a 12% reduction in average monthly payroll compared to the previous quarter and, together with reductions in related expenses and other discretionary expenditure, are expected to result in a further 18% reduction in monthly cash burn in the next quarter.

## 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\$156k and relates to salaries and fees paid to executive and non-executive Directors during the quarter.

## Q2 2026 ACTIVITIES

- Progress value realisation pathways for shareholders and noteholders
- Progress resolution of the Goyo mining concession administrative matter, pending the Supreme Court ruling
- Continue advancing construction readiness for Muga

# ASX ANNOUNCEMENT

28 April 2026

**Highfield**  
Resources



ASX:HFR

**-ENDS-**

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

For more information, contact:

**Olivier Vadillo**

**Head of Corporate Strategy and Business Development**

+34 609 811 257

[olivier.vadillo@highfieldresources.com.au](mailto:olivier.vadillo@highfieldresources.com.au)



**About Highfield Resources**

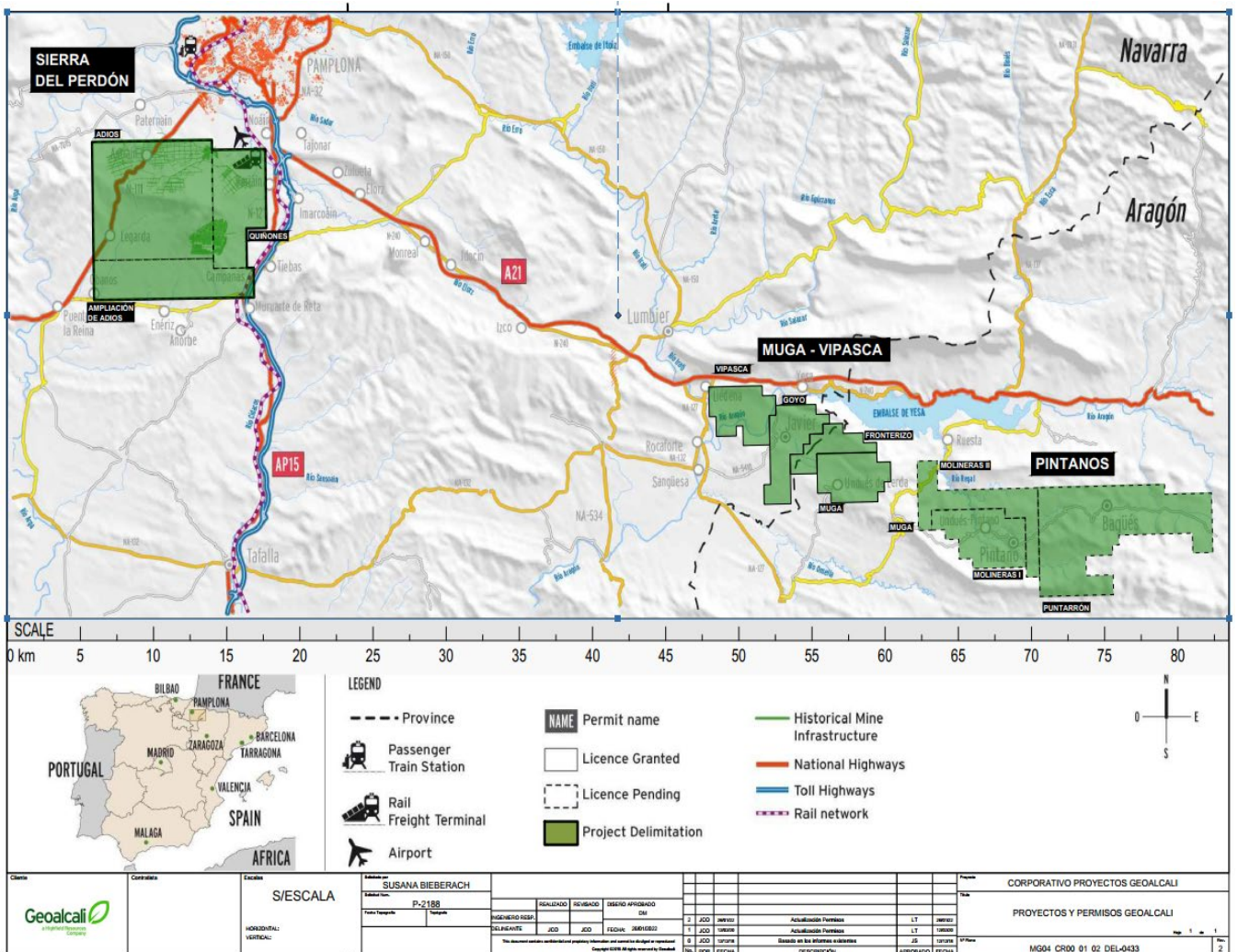
Highfield Resources is an ASX listed potash company which is focused on commencing full scale construction of its flagship high margin, low capex Muga Project in Spain having finalised the initial site preparatory work and having received permits and key licences. Muga’s Mining Concession was granted in 2021, the ramp construction licence in Aragón in 2022 and the process plant construction licence in Navarra in 2023.

The Company continues to advance the remaining administrative processes required for full project development.

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")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<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	(1,299)	(1,299)
(e) administration and corporate costs	(1,563)	(1,563)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	6
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)	136	136
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,720)</b>	<b>(2,720)</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)	(202)	(202)
(e) investments		
(f) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 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>(202)</b>	<b>(202)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities	2,100	2,100
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(250)	(250)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,850</b>	<b>1,850</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	3,474	3,474
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,720)	(2,720)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(202)	(202)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,850	1,850

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(125)	(125)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,277</b>	<b>2,277</b>

<b>5.</b>	<b>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	2,277	3,474
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>2,277</b>	<b>3,474</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

156

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.

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

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	
7.2	Credit standby arrangements	
7.3	Other (please specify)	43,644
7.4	<b>Total financing facilities</b>	<b>43,644</b>

**7.5 Unused financing facilities available at quarter end**

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.

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.

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.

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").

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.

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.

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.

Following a period of voluntary suspension in trading (refer ASX 2 October 2025, "Voluntary Suspension Request"), additional funding was secured through the execution of a new (third) issuance of convertible notes maturing 12 months after Financial Close (refer ASX 14 October 2025, "Highfield secures A\$10M of financial support"). The new convertible notes have a conversion price equal to the lower of A\$0.06, a 25% discount to the price implied by a change of control transaction involving the Company, or a 10% discount to the price of any future equity capital raising undertaken by the Company, subject to a floor price of A\$0.03. The notes bear interest at 18% per annum, with additional default interest of 4% per annum while an event of default subsists, with all interest payable in kind by capitalisation to the loan amount. The new notes are secured by the same security granted in September 2023, including a share pledge over all shares in, and shareholder loans to, Geoalcali S.L.U.

As at the date of this report, 536 new notes with a total value of A\$5.16 million have been issued, including gross proceeds of A\$2.1 million received in March 2026. Of the A\$10.0 million convertible note facility executed in October 2025, A\$4.84 million remained unavailable at quarter end, as these funds were subject to lender conditions.

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,720)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(202)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,922)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,277
8.5	Unused finance facilities available at quarter end (Item 7.5)	
8.6	Total available funding (Item 8.4 + Item 8.5)	2,277
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>0.78</b>

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: Management does not expect net operating cash outflows to continue at the current level in the coming quarters. This reflects cost reduction measures already implemented, including workforce optimisation, the reduction of external consulting services and broader cost control initiatives. Based on current forecasts, these actions are expected to result in a material reduction in operating cash outflows in the next quarter, with the Group's underlying cost base significantly lower than in Q1 2026.

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, the Company secured an A\$10 million investment in Q4 2025 from existing strategic shareholders, including funds managed by EMR Capital Management Limited, Tectonic Investment Management and another existing investor. Of this amount, A\$5.16 million has been drawn to date. The remaining A\$4.84 million is subject to certain conditions, including the continuation of disciplined cash management, and is expected to be drawn between May 2026 and September 2026.

In parallel, the Company continues to investigate additional funding and strategic initiatives as part of its broader value realisation plan.

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 be able to continue its operations and meet its business objectives based on the combination of cost reduction measures already implemented, funding secured to date, the expected drawdown of remaining committed funding, and ongoing initiatives to secure additional financing. On this basis, the Company considers that it will be able to meet its obligations as they fall due and continue as a going concern.

## **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: 28 April 2026

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".
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.