June 2026 Quarterly Activities Report

HIGHLIGHTS

- **Highfield Resources Limited ("Highfield" or the "Company") advised that Spanish Supreme Court had formally admitted the appeal relating to the procedural ruling on the Goyo mining concession which a enables a full judicial review of the matter.**
- **All resolutions were carried at the Annual General Meeting held on 27 May 2026.**
- **The disciplined approach to cash management continued throughout the quarter, with a 24% reduction in monthly payroll compared to the previous quarter.**
- **A$1.46 million cash at bank at 30 June 2026.**
- **A fourth tranche of A$700,000 was received under the Company's existing Convertible Note Facility in July 2026 after quarter end.**

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 June 2026.

PROJECT UPDATE

Permitting update

Separate appeals were filed by the Governments of Navarra, Aragón, and Spain, as well as by Geoalcali, against the annulment of the procedure by which the Goyo concession was granted. As previously announced (refer ASX announcement dated 28 August 2025, "Positive Support from Government of Navarra and Goyo Update"), the appeal addresses the question of whether a unified concession should have been issued by one administration instead of the three originally granted. 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's Spanish subsidiary, Geoalcali S.L.U. had received Government advice in 2014 to apply for three separate mining concessions, being Goyo, Muga, and Fronterizo, the TSJN held that, procedurally, a single unified concession should have been issued instead. Importantly, the TSJN ruling did not challenge the technical viability of the Muga Project, the environmental studies supporting the project, or the underlying mineral rights.

During the quarter the Spanish Supreme Court admitted the case to appeal (refer ASX announcement dated 25 May 2025, "Spanish Supreme Court Admits Goyo Appeal"). The Spanish Supreme Court's decision to admit the appeals enables a judicial review of the matter and represents an important step toward achieving legal certainty regarding the permitting framework applicable to cross-regional mining projects in Spain.

During the quarter the Company prepared and filed the appeal brief with the Supreme Court, in accordance with the timetable established by the Court.

Highfield is also pleased to provide an update on two separate legal proceedings relating to the mining concessions comprising the Muga Project.

The Superior Court of Justice of Madrid (TSJM) has dismissed in full the legal challenge brought by Ecologistas en Acción against the Fronterizo mining concession. This proceeding is separate from the litigation concerning the Goyo mining concession, which was the subject of an earlier ruling by the Superior Court of Justice of Navarra (TSJN). The appeals currently before the Spanish Supreme Court relate specifically to the TSJN ruling concerning the Goyo concession.

In the Fronterizo proceeding, the TSJM rejected both the procedural and environmental arguments advanced by the claimant and confirmed that the administrative process followed in granting the Fronterizo concession complied with Spanish law. The Court also awarded costs against the claimant.

During the quarter, the Company determined that it would not pursue further development of the Sierra del Perdón tenement at this stage, following the expiry of the associated exploration permits. The decision is based on the limited prospectivity of this tenement and allows the Company to focus its resources on advancing the Muga Project. As the Sierra del Perdón project was fully impaired in 2020, this decision has no impact on the Company's financial position.

POTASH MARKET

Global potash market fundamentals remained broadly stable during the quarter, with the underlying supply-demand balance continuing to support current pricing levels. While certain sanctions on Belarus have begun to ease, global supply continues to be influenced by geopolitical factors and constrained production outside a limited number of major suppliers.

Demand for muriate of potash (MOP) remained resilient, supported by favourable agricultural fundamentals and consistent application rates across key consuming regions. In Europe, granular MOP prices remained relatively firm at approximately €380 per tonne, reflecting balanced regional supply and demand conditions.

Looking ahead, market sentiment continues to be influenced by geopolitical developments and broader macroeconomic conditions. While near-term price movements may remain sensitive to external events, the medium-term outlook for potash remains constructive, supported by disciplined supply growth, resilient agricultural demand and the ongoing need to improve crop yields.

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

The Company remains focused on disciplined cash management, prioritising activities that enable it to continue operating with a low cash burn while maintaining the financial flexibility required given the current circumstances.

In addition to the ongoing staff furlough scheme (ERTE), introduced on 1 March 2025 and extended until the end of 2026 with the support of all staff, the Company has continued to right size its staffing position, with the current workforce of nine employees representing a 30% decrease compared with the end of the previous quarter. Together, these measures have delivered a further 24% reduction in average monthly payroll compared with the previous quarter and, combined with lower related expenses and other discretionary cost reductions, are expected to contribute to a further reduction in monthly cash outflows in the next quarter.

Providing further support to the Company's financial position, a fourth tranche of A$700,000 was received after the end of the quarter under its existing Convertible Note Facility (refer ASX Announcement dated 24 July 2026 "Funding Secured Under Convertible Note Facility"). While the occurrence of the Appeal Allowed Event in May 2026 meant that Noteholders were no longer obliged to subscribe for further funding under the Tranche 3 Convertible Note Deed, they nevertheless agreed to provide this additional tranche. As previously disclosed, the funding of this fourth tranche does not create any obligation on the Noteholders to subscribe for any subsequent funding tranches.

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$146k and relates to salaries and fees paid to executive and non-executive Directors during the quarter.

Q3 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

-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

About Highfield Resources

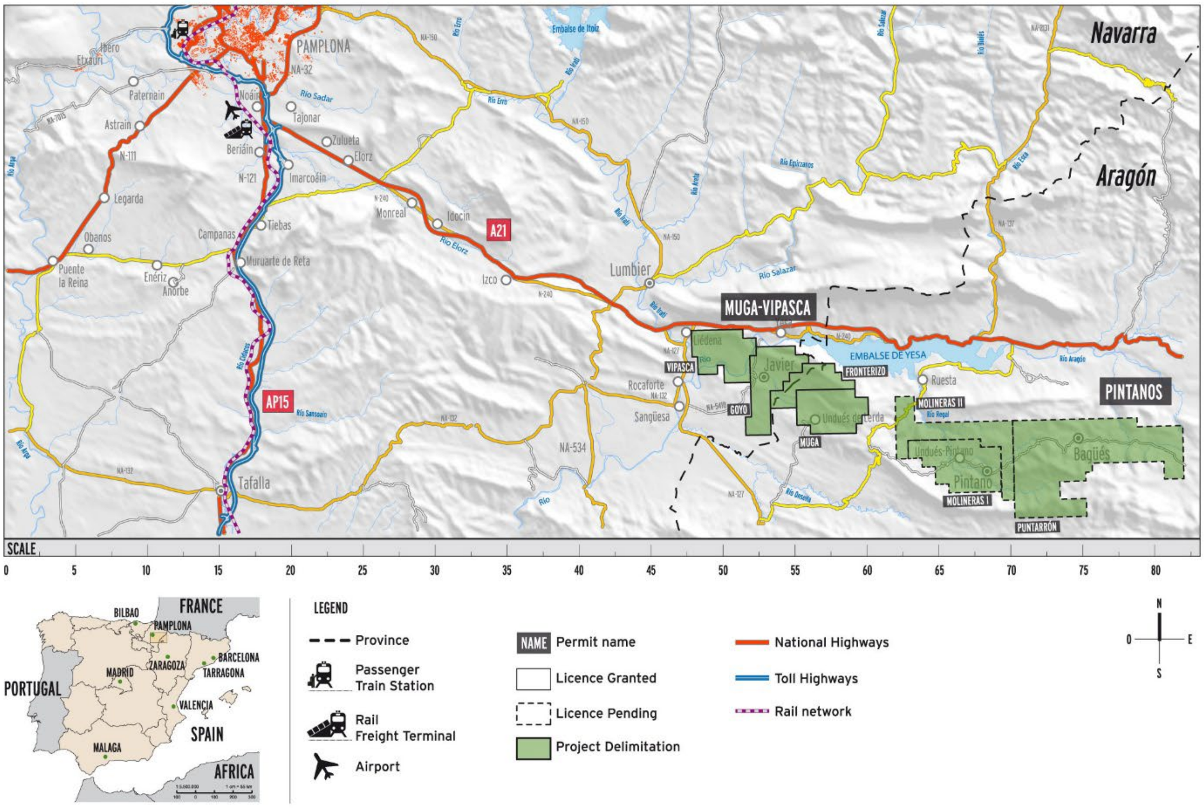
Highfield Resources is an ASX listed potash company which is focused on commencing full scale construction of its flagship high margin, low capex Muga Project in Spain having finalised the initial site preparatory work and having received permits and key licences. Muga's Mining Concession was granted 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. High quality and readily accessible infrastructure is 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 and Pintanos) are located in the Ebro potash producing basin in Northern Spain, covering an area of around 250km^2.

FIGURE 1: LOCATION OF MUGA-VIPASCA AND PINTANOS 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	**Quarter ended ("current quarter")**
51 153 918 257	30 June 2026

Consolidated statement of cash flows			Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers			
1.2	Payments for			
	(a)	exploration & evaluation (if expensed)		
	(b)	development		
	(c)	production		
	(d)	staff costs	(775)	(2,074)
	(e)	administration and corporate costs	(1,064)	(2,626)
1.3	Dividends received (see note 3)			
1.4	Interest received		4	10
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)		96	232
1.9	**Net cash from / (used in) operating activities**		**(1,738)**	**(4,458)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	entities		
	(b)	tenements		
	(c)	property, plant and equipment		
	(d)	exploration & evaluation (if capitalised)	(92)	(295)
	(e)	investments		
	(f)	other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
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)		
2.6	**Net cash from / (used in) investing activities**	**(92)**	**(295)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities	700	2,800
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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)		
3.10	**Net cash from / (used in) financing activities**	**700**	**2,550**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,277	3,474
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,738)	(4,458)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(92)	(295)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	700	2,550

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	312	187
4.6	**Cash and cash equivalents at end of period**	**1,458**	**1,458**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,458	2,277
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,458**	**2,277**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	146
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.

		Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
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.*		
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)	43,644	39,504
7.4	**Total financing facilities**	43,644	39,504

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 interest (at a 14% per annum) payable in kind through capitalisation to the convertible notes amount and will mandatorily be converted into fully paid ordinary shares in the Company prior to the first drawdown of the Senior Loan Facility secured with a group of international banks to fund the Muga Project.

An 18% per annum default interest was 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, 606 new notes with a total value of A$5.86 million have been issued, including gross proceeds of A$2.1 million and A$0.7 million received in March 2026 and May 2026, respectively. Of the A$10.0 million convertible note facility executed in October 2025, A$4.14 million remained unavailable at quarter end, as these funds were subject to lender conditions.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,738)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(92)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,831)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,458
8.5	Unused finance facilities available at quarter end (Item 7.5)	
8.6	Total available funding (Item 8.4 + Item 8.5)	1,458
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	0.80

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. The Group has already benefited from cost reduction measures implemented during recent quarters, including substantial reductions in headcount, and external consulting spend, as well as other cost control initiatives. In addition, further cost reduction actions are planned for the next quarter, with the objective of further reducing the Group's monthly cash burn profile and strengthening its liquidity position.

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 a 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$5.86 million has been drawn to date. The remaining A$4.14 million is subject to certain conditions, including the continuation of disciplined cash management, and is expected to be available for drawdown in September 2026.

A fourth tranche of A$700,000 was received under its existing Convertible Note Facility in July 2026 after quarter end

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: Management expects the Company to continue its operations and pursue its business objectives, supported by the funding secured to date, the cost reduction measures already implemented, the planned implementation of further cost reduction initiatives, and ongoing efforts to secure additional financing. On this basis, management expects the Company to have sufficient resources to meet its obligations as they fall due and to 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 July 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.