

# Muga Potash Mine

Market Update Presentation  
October 2025



# Disclaimer

## COMPETENT PERSONS STATEMENT FOR MUGA ORE RESERVES, MUGA MINERAL RESOURCES and EXPLORATION TARGET

The Review of Operations contained within this presentation was prepared by Highfield Resources. The information in this report that relates to the Muga Ore Reserve reported with an effective date 31 October 2021, is based on information prepared by Dr. Mike Armitage. Dr. Mike Armitage is 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 Muga 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 Muga-Vipasca Mineral Resources with the effective date of 31 December 2020 is based on information prepared by Ms. Anna Fardell, a Senior Consultant at SRK Consulting (UK) Limited at that time.

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 Muga 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 Muga Ore Reserve. Mr. Bray is a fulltime 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 more than 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.

Ms. Anna Fardell was a Senior Resource Geologist employed by SRK as of the effective date for the December 2020 Muga-Vipasca 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.

# Leadership Change With New Strategic Outlook

## Carles Aleman – Geocalci CEO (Gerente General)

- **Career Highlights**
  - Well respected industry professional
  - Over 30 years of international leadership in chemical and mining industries.
  - Held senior positions at BASF, CIBA-GEIGY, and Pymag-Curtin (as Managing Director).
  - Former President of ICL Iberia (2017–2021) with experience in construction and development:
    - Managed Project Phoenix at ICL Iberia (CAPEX of more than €600 M), which involved:
      - Construction of processing and crystallization plant as well as a new 5km ramp to the mine.
      - Modernizing mine infrastructure and operations.
- **Education**
  - Degrees in Business Sciences, Chemistry, and Pharmacy.
  - Master's in Chemistry.
  - MBA from ESADE Business School, Barcelona.
- **Roles at Highfield**
  - Joined in 2023 as Head of Plant Construction & HSE.
  - Key focus will be leading local operations and managing communications with Spanish and regional government stakeholders.

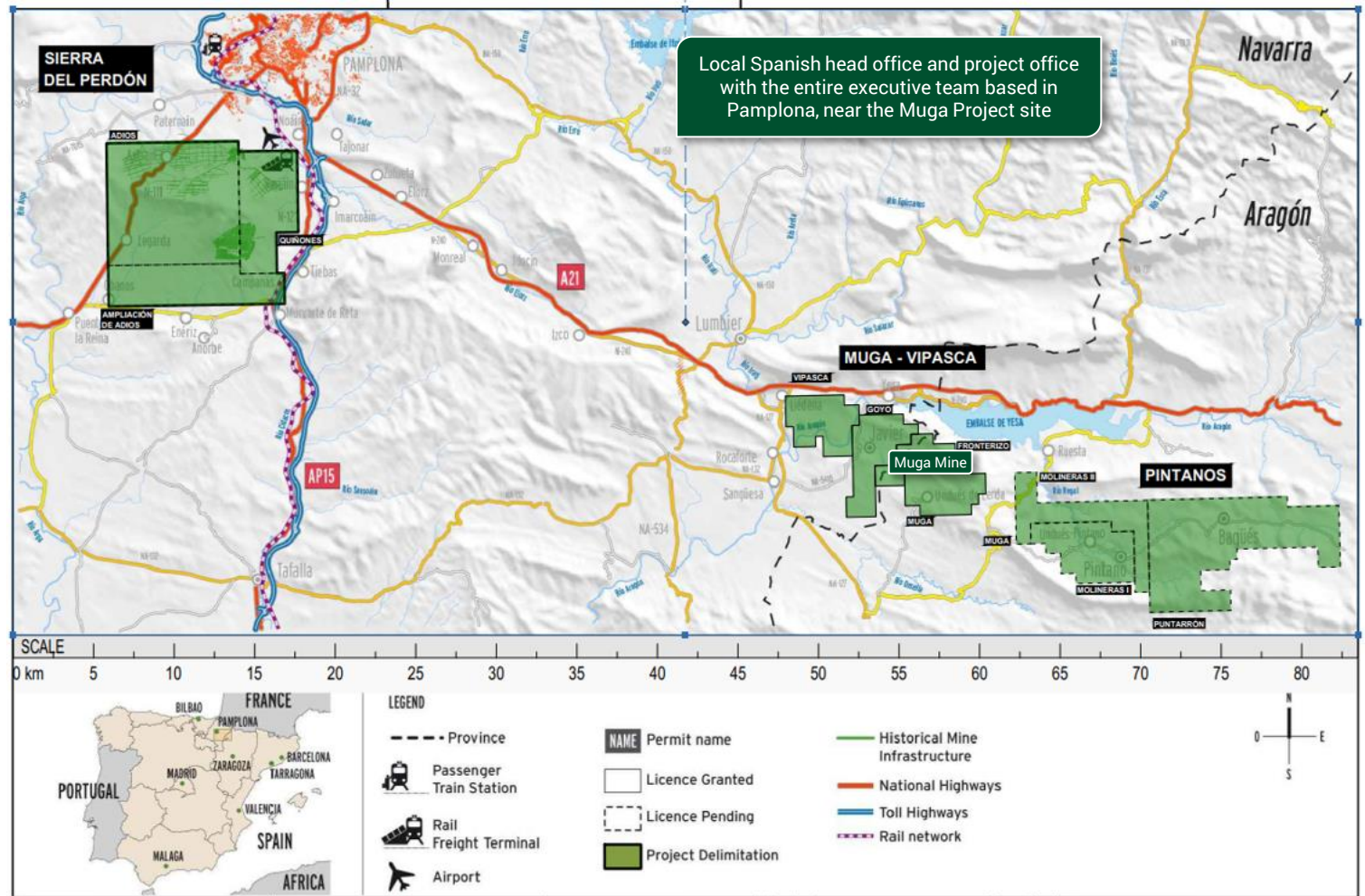


# Muga Project Overview

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

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



# Muga's Strategic Rationale Remains Strong

## Muga mine Competitive Advantage

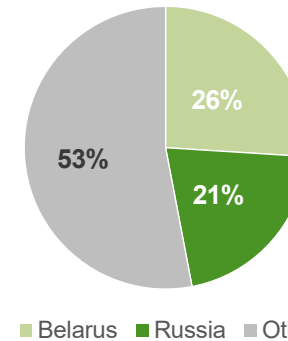


- ✓ Higher netback with local market **within trucking distance**
- ✓ National electrical grid substation in **closed proximity to mine site**
- ✓ **First class infrastructure** and access to new road systems
- ✓ **Straightforward access to the mine** with two ramps, no shafts, no aquifers and shallow mineralization
- ✓ **Potash market has attractive long-term fundamentals with near-term opportunity**
- ✓ **Strong local and federal government support**

## Key metrics

- Ownership: **100%**
- Resource: **ROM tonnes of 173,7Mt at 10.2% Potassium Oxide (K<sub>2</sub>O)**
- Planned Capacity: Phase 1: **500ktpa**, Phase 2 total: **1 Mtpa**
- Mine Life: **30 years**
- Economics: **€1.8 bn NPV<sub>8</sub>, 23% IRR**
- Mining Site Status: **Construction ready**
- Est. C1 cash costs: **€108/t**
- Phase 1 CapEx: **€449 million**
- Mining method: **Conventional underground room and pillar**

## EU Facing Growing Difficulties in Sourcing MOP



Source: CRU Group Potash Market Service

**47%** EU imports from Belarus and Russia

**Belarus exports falling sharply** due to sanctions and transit blocking

**Russia is facing sanctions** due to the war in Ukraine

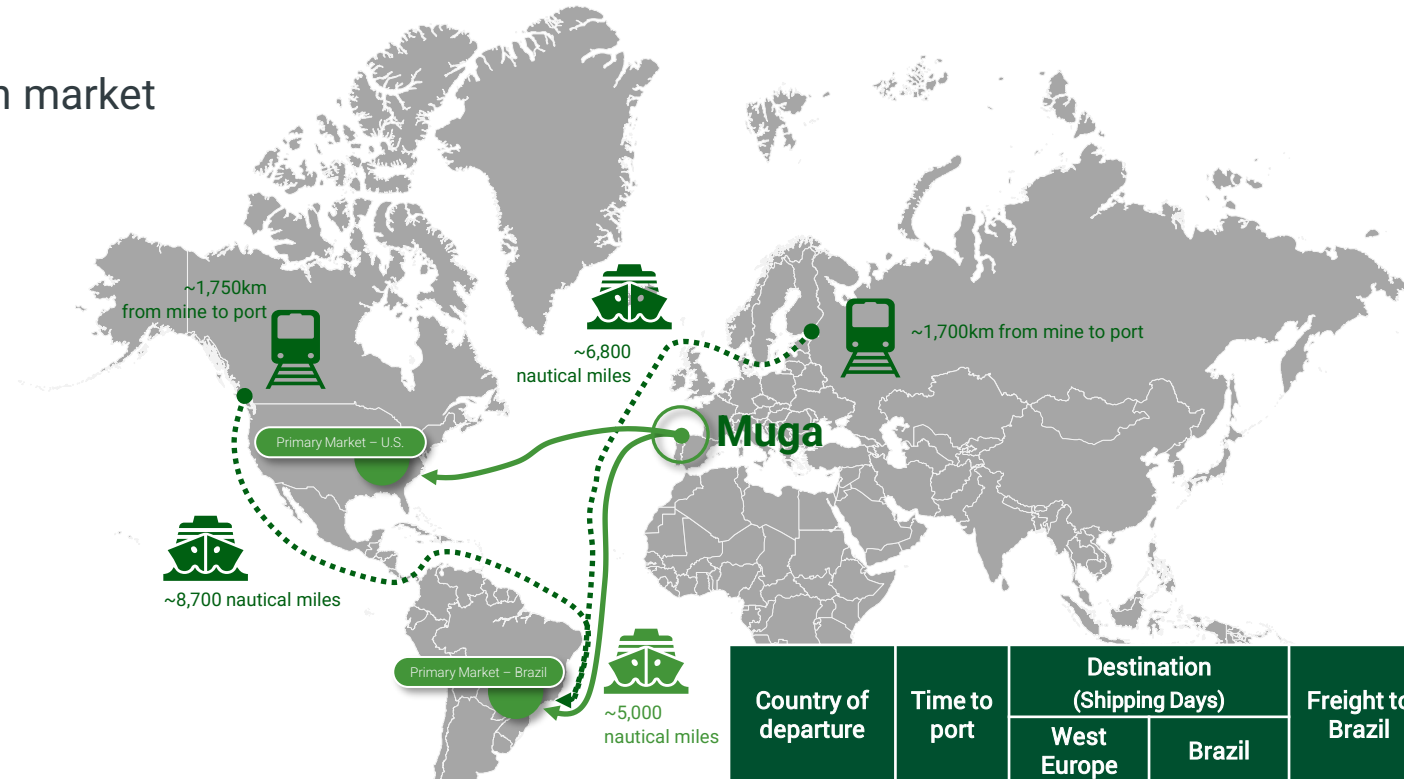
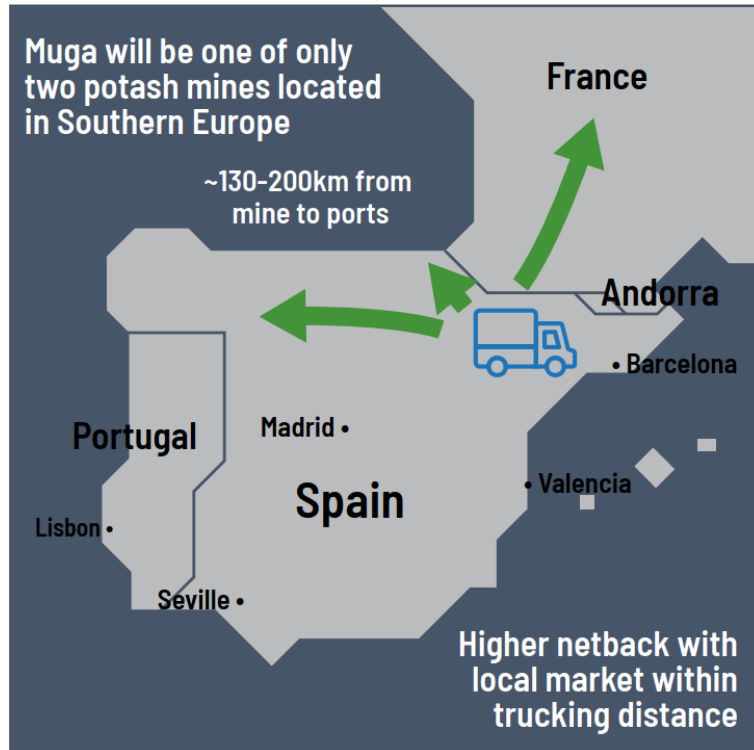
Food security in Europe is becoming increasingly becoming a key issue

**The Muga Potash Mine is set to deliver a new global and secure source of Potash, a critical input in Fertilizers**

# Location is a Key Competitive Advantage

## Access to Customer Markets

- **Strategically located** in the middle of the European market
- Potash **price premium** in Europe



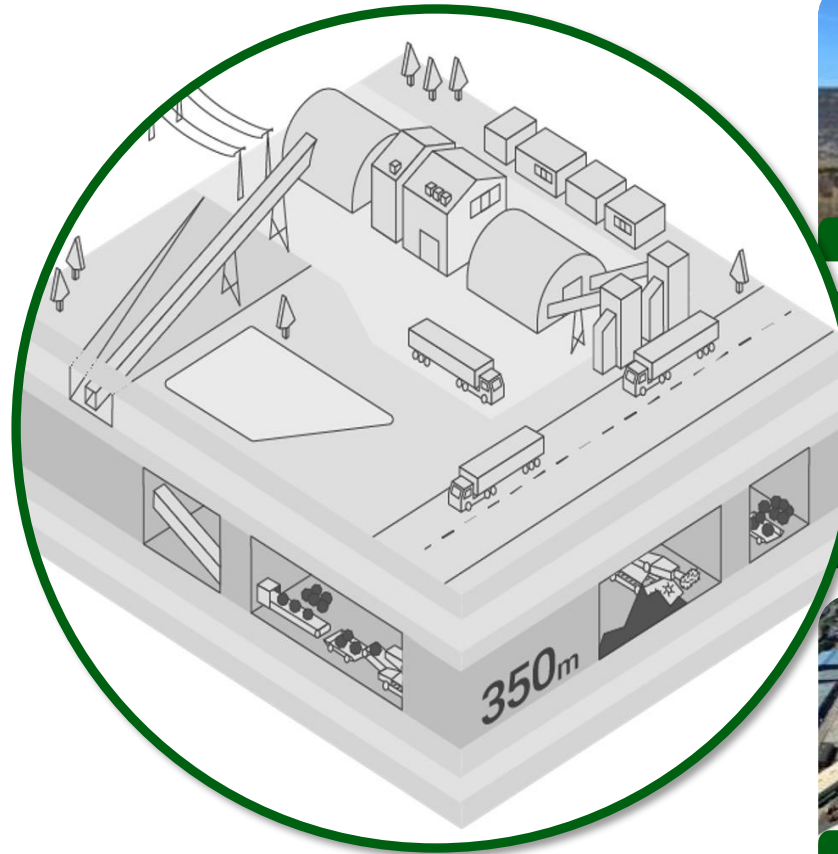
- **Faster and cheaper** access to South American and U.S markets

- Muga is approx. 200km to port
- Less than half the transport time

Country of departure	Time to port	Destination (Shipping Days)		Freight to Brazil
		West Europe	Brazil	
Spain	~2h	-	18	~\$19/t
Germany	~3h	-	21	~\$23/t
Russia / Belarus	~2-3 days	5	26	~\$37/t
Canada West Coast	~3 days	35	43	~\$51/t

# Other Key Competitive Advantages

- **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
- **Construction ready, subject to financing and Goyo permit.**



National Electricity Grid Substation in Sangüesa



A-21 between Sangüesa and Pamplona



Port of Bilbao (~220km), Spain's largest port

# Outstanding Project Economics

## ECONOMICS

€340 million pa  
EBITDA in full  
production

NPV<sub>8</sub> 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 (K<sub>2</sub>O)

### Permits

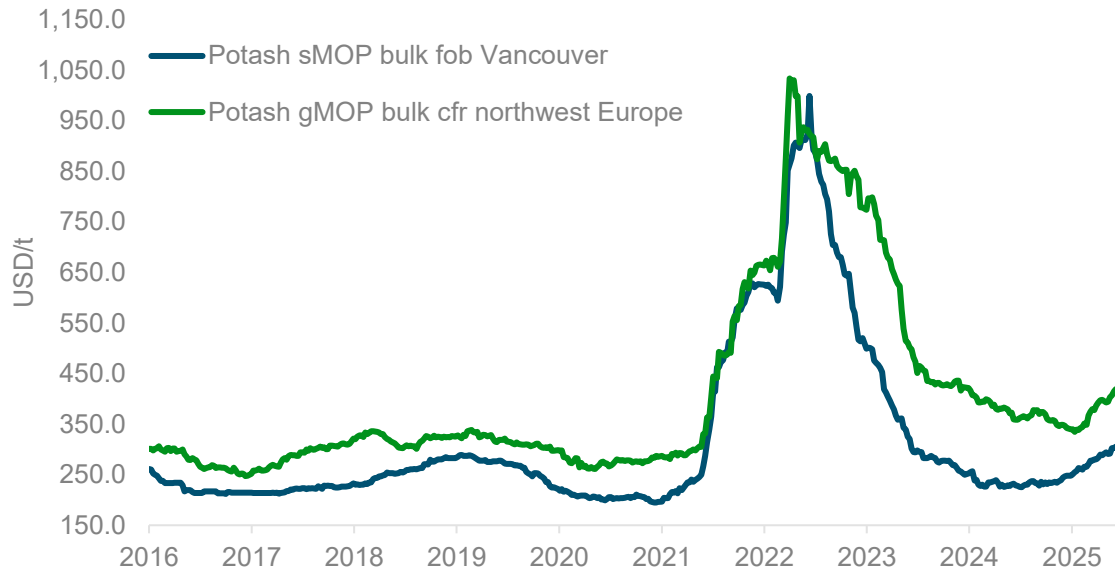
- Construction ready, subject to financing and Goyo permit.

**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.**

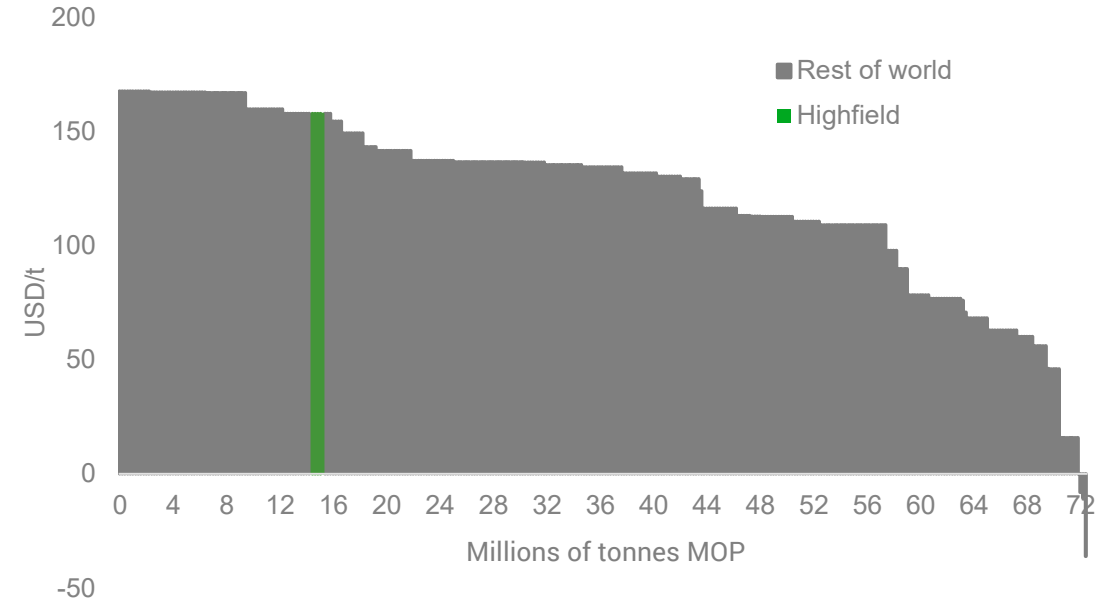


# Top Quartile Margins

## Europe trades at a premium to other markets



## Margin curve forecast for 2028 (real US\$)



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

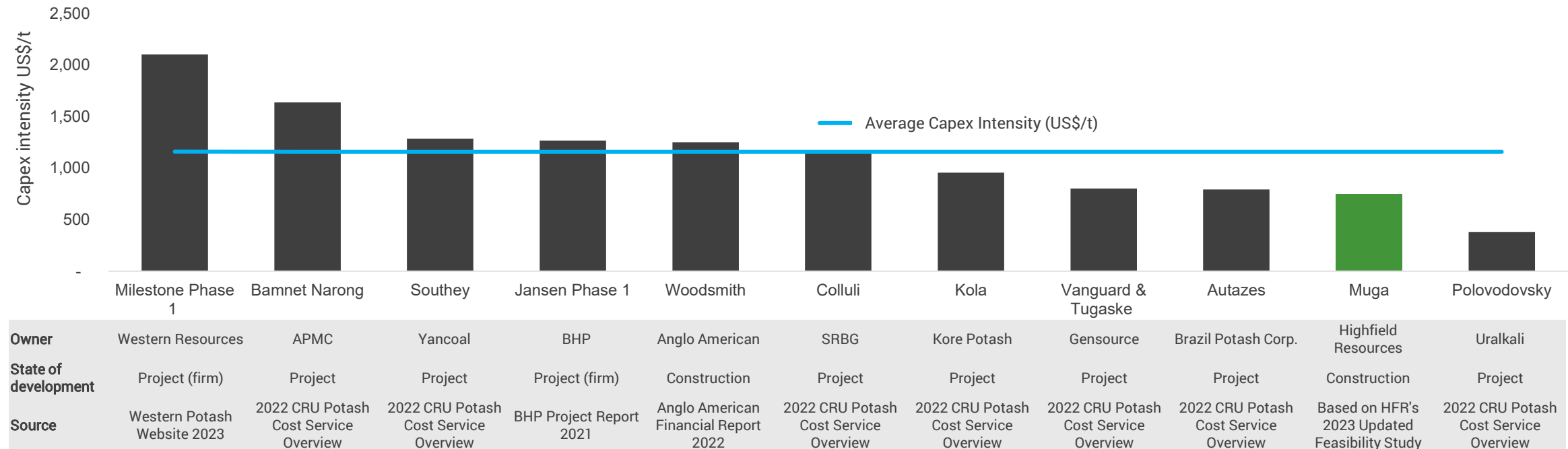
Low costs and higher netbacks at mine gate position the mine as potentially one of the highest margin potash mines globally

Source: Argus Media, CRU, Highfield Resources., ASX Release 8 November 2023.

The Company confirms that all material assumptions underpinning these figures, in-line with the initial public report released on 8 November 2023 (refer ASX release "Muga Project Updated 2023 Feasibility Study") continue to apply and have not materially changed.

# Low Initial Investment

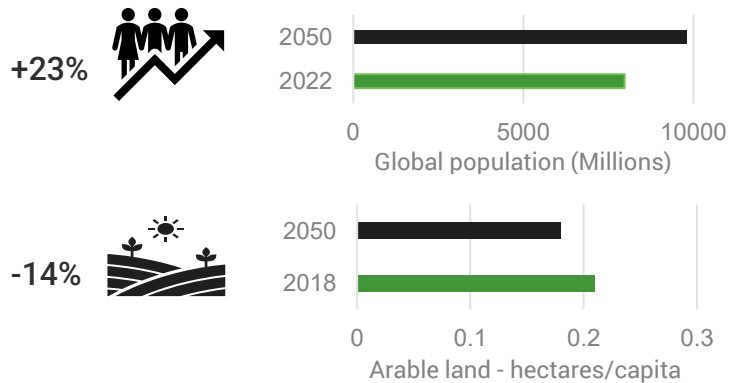
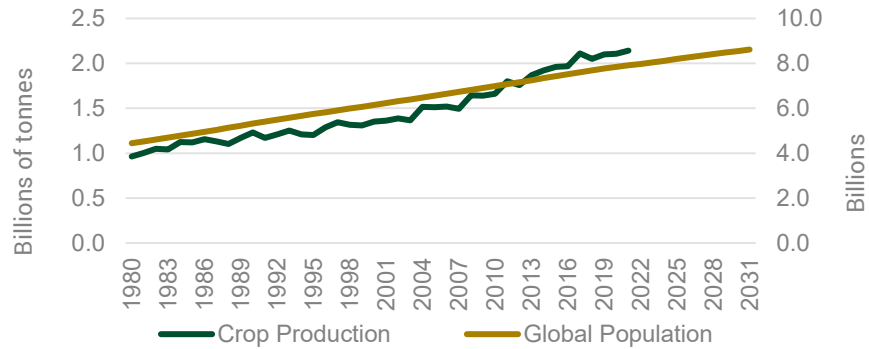
## MUGA has half the capex intensity compared to other global development projects (US\$ Per Tonne Of Potash)



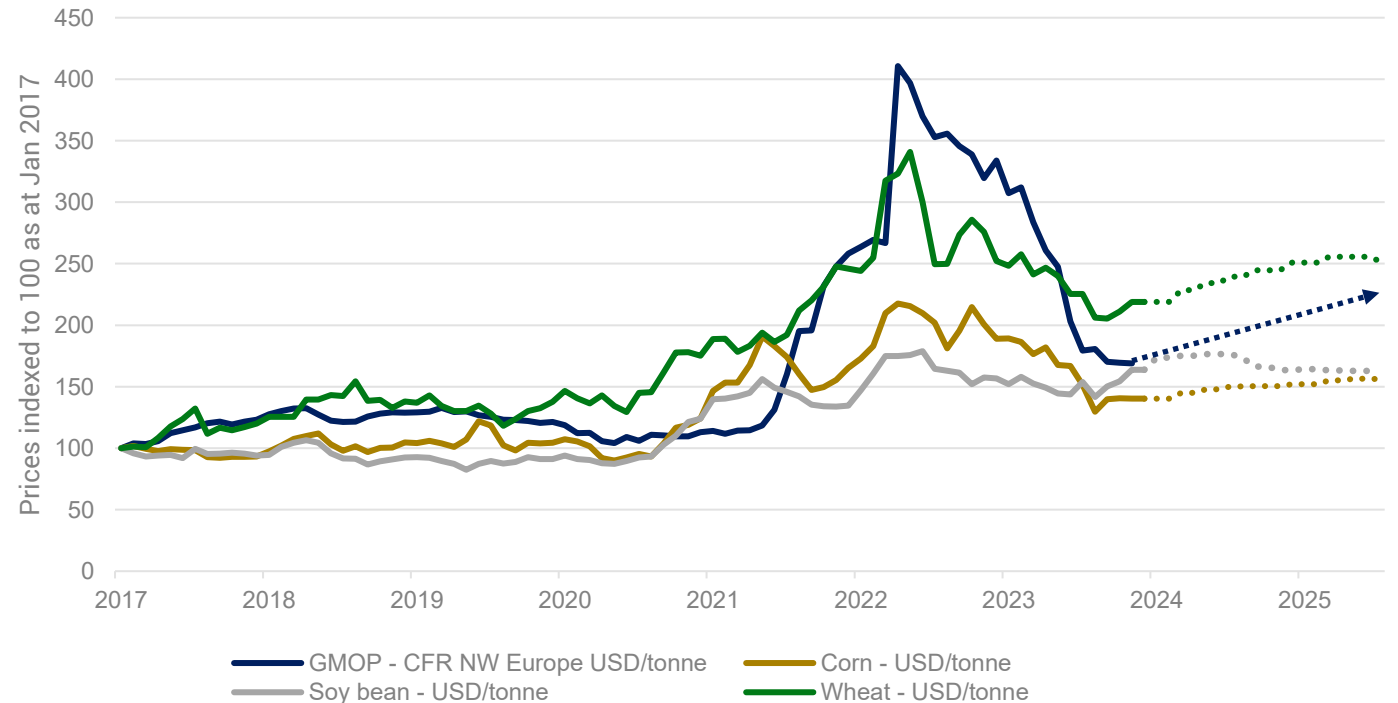
The Company confirms that all material assumptions underpinning these figures, in-line with the initial public report released on 8 November 2023 (refer ASX release "Muga Project Updated 2023 Feasibility Study") continue to apply and have not materially changed.

# Potash Market Overview

Global food security will be a key theme in the future with population increasing and arable land decreasing growing the need for more fertiliser use



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



Highfield is well-positioned to commence construction – pending permitting clarity and implementation of a revised financing strategy.

- All major licences and approvals granted – only the Goyo administrative process remains to be resolved.
- Several meetings had with Navarra and Federal Spanish Government and relevant mining ministries, with strong support shown.
- Engineering, procurement and construction partners identified; contract scopes and costs defined.
- Updated 2023 Feasibility Study confirms robust economics – €340 m EBITDA, €1.8 bn NPV8, 23% IRR.
- Salt offtake signed and good relationships with potential European buyers to secure market access at the right time.
- Significant steps made to reduce monthly cash burn.
- Site preparation, ramp access and utilities ready for construction once full approvals are reinstated.

# Financial Runway and Next Steps

- **Runway Secured:**
  - A\$4.0 million cash at bank at 30 September 2025.
  - Minimum drawdown of A\$5.15m provides funding through October 2026.
  - Full A\$10m drawdown (subject to lender consent post-Goyo appeal) extends runway through Q1 2027.
- **Use of Funds:**
  - Legal, technical, and administrative costs to progress Goyo concession resolution.
  - **Strategic Engagement:** re-engagement with key industry partners and potential investors.
  - Prudent management of corporate and operational commitments.
    - Actively managing operational expenditure.
    - Staff furlough scheme extended and headcount reduced by 20% implying a saving of 40% in monthly payments over the last few months.
    - Deferral or cancelation of debt by some creditors. (for example: Termination of Project Finance Facility)
- **Immediate Next Steps:**
  - Hold EGM by mid-December 2025 to approve note issuance and amendments.
  - Await Spanish Supreme Court decision on Goyo appeal (expected Nov 2025).
- **Strategic Focus (Post-Funding):**
  - Continue to maintain constructive engagement with Navarra, Aragón and Spanish governments.
  - Prepare for potential strategic transaction or sale process once permitting certainty is achieved.
- **Positioning:**
  - Funding ensures Highfield remains operationally stable and strategically ready to act following Goyo resolution.

# New Financial Support

- New issuance replacing and extending prior series.
- Bridge funding for operations during permitting resolution.
- Strengthens balance-sheet flexibility and optionality.
- Extends the maturity of the existing convertible notes

Convert note	Information
Principle	Minimum drawdown of A\$5.15 million, Full drawdown A\$10 million (dependent on Goyo appeal) EMR Capital to invest A\$2 million, Tectonic A\$5 million and another investor A\$3 million
Maturity	12 months (from date of notes issued)
Interest	18% per annum
Conversion Price	(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"))
Security	Same as previous notes

# Next Steps on Permitting

## Goyo procedural flaw next steps

### Background

- As previously disclosed\*, the **Superior Court of Justice of Navarra (TSJN)** identified a *procedural flaw* in the administrative coordination process relating to the granting of the **Goyo mining concession**.
- In 2014, Highfield applied for three separate concessions – Goyo, Muga and Fronterizo – in line with Government guidance at that time.
- The TSJN held that, procedurally, a *single unified concession* should have been issued instead.

### Key points as to why Highfield believes it has have a strong case

- The ruling does not challenge any technical assessments or data.
- The Governments of Navarra, Aragón and Spain have applied to the Spanish Supreme Court (TS) for leave to appeal the TSJN decision.
- A Supreme Court decision is expected in November 2025, though timing may vary.

## Following the TS decision

Right to appeal NOT accepted		Right to appeal accepted	
Historically only 10% of cases are allowed to appeal**			
<b>Solution:</b>	An administrative solution will be pursued	<b>Solution</b>	The judicial process will continue
<b>Time:</b>	Unified concession expected by Q3 2026	<b>Time:</b>	Court ruling could be post 2027
<b>Capital injection:</b>	Full drawdown A\$10 million	<b>Capital injection:</b>	Minimum drawdown of A\$5.15m, further drawdown subject to lender consent post-Goyo appeal decision
<b>Next steps:</b>	Intensify contact with Spanish administrations and get construction ready as soon as possible	<b>Next steps:</b>	New restructuring plan and discussion with noteholders

\*refer ASX announcement dated 28 August 2025, "Positive Support from Government of Navarra and Update on Goyo Concession")

\*\*Source: Based legal advice from local legal firm, Gómez-Acebo & Pombo

# Strategic Financing Outlook



A plan to value realisation for shareholders and noteholders.



Reassessing investment approach by, exploring new geographies, alternative investors and alternative investment options.



A clear path to Goyo resolution will allow Highfield to re-engage with strategic partners.



Management strategy reset with a clear mandate – drive financing execution and strategic engagement.



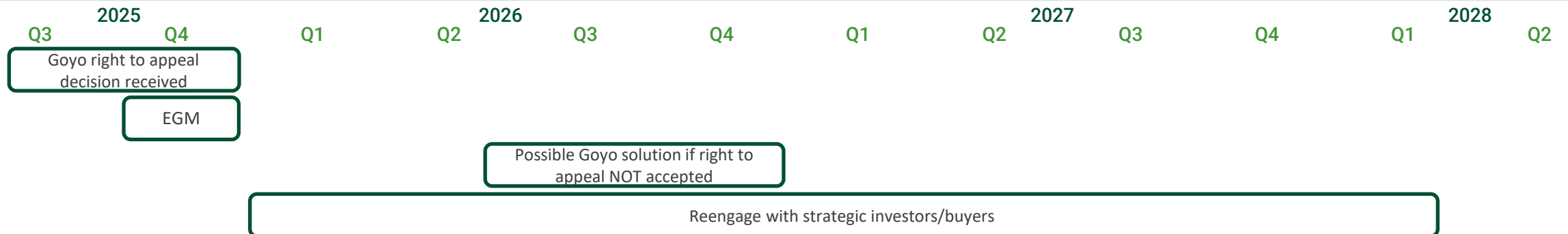
Two value pathways to **repay noteholders** and **deliver shareholder value**:

1. Strategic investment / JV to fund construction.
2. Full sale / buyout.



New strategic discussions with key industry and financial partners.








## Most likely timeline given 90% of cases do not go to appeal





# Summary

## A plan to value realisation for shareholders and noteholders

-  Convertible notes provide financial stability and operational runway
-  Financing will give runway until first quarter 2027
-  Clear pathway identified to solve Goyo permitting issue
-  Strategic rationale of Muga Potash Mine has increased with continued geopolitical tension
-  Outstanding project economics, low operating cost, low capex mine
-  New plan to engage with strategic and financial partners
-  Long term funding plan to repay noteholders and unlock value for shareholders



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