



ASX: HFR

4 May 2022

## Project Milestone: Highfield signs €312.5 million Senior Secured Project Financing Mandate Letter

### HIGHLIGHT

- Highfield has executed a project financing mandate letter with a group of experienced European mining finance lenders for the €312.5 million senior secured project financing package.

Highfield Resources Limited ("Highfield" or the "Company") is pleased to announce that it has executed a mandate letter (the "Mandate Letter") for the €300 million senior secured project financing facility and a €12.5 million standby cost overrun facility resulting in an overall debt package of €312.5 million (the "Facilities") to finance the construction and development of its 100% owned Muga Potash Project ("Muga" or the "Project"), located in Spain. A group of four international financial institutions, comprising BNP Paribas S.A., ING Bank N.V., Natixis and Societe Generale (London Branch) will act as the Mandated Lead Arrangers (the "MLAs").

The execution of the Mandate Letter follows the agreement-in-principle of the non-binding indicative term sheet for the Facilities, as announced on 30 March 2022.

The Facilities will cover a significant portion of the pre-production investment required to complete the Phase I construction of Muga.

**Ignacio Salazar, CEO, commented:** "We are delighted to reach this new milestone towards the construction of Muga. BNP Paribas, ING, Natixis and Societe Generale have extensive experience in providing project financing to mining projects and signing this €312.5 million mandate letter is no doubt a testament to the high-quality strong economics and top ESG credentials of this Project.

*In addition, the strategic location of Muga in southern Europe, is being viewed more favourably than ever in the current geopolitical situation, making it an attractive candidate for financing from the international banking community. In the context of reviewing alternative financing options which are complementary to project finance, the strategic advantages of Muga are also providing increased impetus to the Company's engagement with potential strategic partners. "*



-ENDS-

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

For more information:

**Highfield Resources Limited**

Ignacio Salazar – Chief Executive Officer

Ph: +34 948 050 577

Olivier Vadillo - Investor Relations

Ph: +34 609 811 257

**Australia based queries:**

Alex Cowie – NWR Communications – Director

Ph: +61 (0) 412 952 610



## About Highfield Resources

Highfield Resources is an ASX listed potash company which is focussing on the construction of its flagship low cost, low capex Muga Project in Spain having been granted the Mining Concession in July 2021.

Muga is a unique project – with shallow mineralization with no aquifers above it there is no need to build a shaft. There is 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. In addition to its secure southern European location, recent events in Russia and Belarus have increased the awareness of the strategic value of the Muga project for both Spain and the European Union.

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>.

## LOCATION OF MUGA-VIPASCA, PINTANOS, AND SIERRA DEL PERDÓN TENEMENT AREAS IN NORTHERN SPAIN.

