

# Annual Report

*31 December 2025*

# Contents

**Chairman’s Letter .....4**

**Chief Executive Officer’s Letter .....6**

**Sustainability Report .....8**

**Directors’ Report .....18**

**Financial Report.....52**

**Auditor’s Independence Declaration .....87**

**Independent Auditor’s Report .....89**

**ASX Additional Information .....95**

## Corporate Directory

### Directors

Mr. Paul Harris (Independent Non-Executive Chairman)

Mr. Carles Alemán (Executive Director)

Ms. Pauline Carr (Independent Non-Executive Director)

### Company Secretary

Ms. Katelyn Adams

### Registered Office & Principal Place of Business

169 Fullarton Road  
DULWICH, SA 5065

Telephone: +61 8 8133 5000

Facsimile: +61 8 8431 3502

Website: [highfieldresources.com.au](http://highfieldresources.com.au)

### Share Registry

Automic Pty Ltd  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Website: [automicgroup.com.au](http://automicgroup.com.au)

### Auditor

PricewaterhouseCoopers  
Level 11/70 Franklin Street  
ADELAIDE, SA 5000  
Telephone: +61 8 8218 7000  
Facsimile: +61 8 8218 7999

### Stock Exchange

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
ASX Code: HFR

For personal use only

For personal use only



# Chairman's Letter

Dear Shareholders

2025 has been a year of transition for Highfield Resources, during which the Company has taken important steps to reposition itself and strengthen its foundations for the future. While progress at times has not advanced at the pace we would have liked, the Board remains firmly focused on delivering the long-term objective of advancing the Muga Project.

At the beginning of the year, the Company progressed a proposed strategic transaction involving Yankuang Energy and Qinghai Salt Lake. Ultimately, the scale and complexity of the transaction meant it could not be completed, and following the decision of China Minmetals and Qinghai Salt Lake not to proceed, Yankuang terminated the implementation agreement. This outcome, while disappointing, provided clarity and enabled the Company to refocus on its core priorities.

Muga's fundamentals remain unchanged and it continues to be a high-quality, strategically significant potash project, and is central to the Company's strategy. During the year, progress has been impacted by the ongoing legal-administrative process relating to the Goyo mining concession. This matter is now before the Spanish Supreme Court. While the timing remains uncertain, we take confidence from the continued engagement and support of the relevant administrations, as well as the broader alignment among stakeholders regarding the importance of the project. We believe the work completed to date, combined with this support, positions Muga well for a positive outcome.

In parallel, the Company has taken appropriate steps to streamline the business, ensuring it is more robust and fit for purpose as we move through this phase. A clear focus has been placed on cost discipline, operational efficiency and preserving the Company's ability to move forward as soon as greater certainty is achieved. The A\$10 million convertible note funding completed in December 2025 reflects the continued support of shareholders and has strengthened the Company's position.

The year also saw a number of changes at Board level. I would like to acknowledge the contributions of Roger Davey and Luke Anderson, who stepped down from the Board during the year. On behalf of the Board, I thank them for their commitment and service to the Company and their role in advancing Highfield to its current position.

We also welcomed Carles Alemán as CEO of Geocalci and, subsequently, as an Executive Director of Highfield. Carles brings extensive experience across the chemical and mining industries, together with strong operational and leadership credentials. Since his appointment, he has provided clear direction and focus, reinforcing engagement with stakeholders and ensuring the Company is well positioned for the next stage of its development.

Looking ahead, our priorities remain clear: to achieve resolution on the permitting matters, maintain financial discipline, and ensure the Company is ready to progress Muga at the appropriate time. The Board remains confident in the long-term fundamentals of the Muga project and in its importance within both a regional and broader European context.

For personal use only

On behalf of the Board, I would like to thank our management team and employees for their continued professionalism and commitment. I would also like to thank our shareholders for their ongoing support.

We remain focused on delivering long-term value and advancing Muga towards development.

Yours sincerely,



Paul Harris

Chairman of Highfield Resources

27 March 2026

For personal use only

# Chief Executive Officer's Letter

Dear Shareholders,

This is my first opportunity, as Chief Executive Officer, to present the annual report. First and foremost, I would like to express my sincere gratitude for the trust and confidence you have placed in me to represent Highfield Resources.

2025 was an active and challenging period for the Company. It was marked by changes in management, as well as a reassessment of the Muga Project's strategic direction.

At the beginning of the year, the Company was pursuing a potential partnership with Yankuang Energy Group Co. Ltd. and later with Qinghai Salt Lake Co. Ltd. While there was strong confidence and progress towards the proposed transaction, it ultimately became clear that the challenges associated with the scale and complexity of the potential transaction could not be resolved within a reasonable timeframe. Following the appointment of the new management team in May 2025, our priority was to conduct a re-assessment of the Company's position and define a clear strategy for the future. This required a comprehensive assessment of the proposed transaction and the Muga Project in order to clearly identify the challenges, risks and opportunities ahead. Several key initiatives were undertaken. We developed a comprehensive strategy, which continues to guide our actions as we await the final decision of the Spanish Supreme Court regarding the Goyo mining concession. This strategy allows us to navigate the different scenarios with clarity and preparedness.

Secondly, we conducted a thorough review of the Company's financial position which included, the elimination of costs which were not essential at this stage of the Muga project, so as to deliver a stronger and more durable foundation for fiscal stability. I would like to thank our teams, as well as the Directors of Group companies, for their strong support and commitment during this process.

While extensive efforts were made to reach agreement with Yankuang Energy Group Co. Ltd. et al. and Qinghai Salt Lake Industry Co. Ltd. with a view to completing the proposed transaction, they ultimately decided not to proceed at this time. During the year we maintained our focus on continuous improvement of the Muga Project, seeking to reduce risks, optimise costs and further strengthen the operational design of the future mine

In December 2025, the Company successfully secured A\$10 million through convertible notes, with part of the funding conditional on the progress of the appeal in relation to the Goyo matter. This provides important financial support to the Project and demonstrates the continued commitment of our noteholders.

Finally, and importantly for a project of this scale, we have worked to rebuild a constructive dialogue with the public administrations in Spain and our key stakeholders, reinforcing the institutional framework necessary to advance the project.

Our objective remains clear: to **make the Muga Mine a reality**.

For personal use only

Achieving this objective depends on two key elements. The first is the resolution of the legal administrative matter relating to the Goyo permit. This is before the Spanish Supreme Court, and while the timing of the Court's decision remains uncertain, we have established a clear legal roadmap to address the potential outcomes. Our financial strategy has therefore focused on reducing costs and extending our available resources while awaiting this decision.

The second element is securing the investment required for construction, a process that is closely linked to the resolution of the legal framework. While the development of the Muga Project will span several years, based on the work carried out by our teams, as well as the progress made over the past months and the feedback and reaffirmations of support received from authorities and stakeholders (including the Government of Navarra and local mayors), I am confident in the Project's strong fundamentals and I am optimistic about its future.

The Muga potash mine is a strategically important project for Spain and for Europe. In an increasingly uncertain geopolitical environment, the importance of securing reliable domestic sources of fertilisers in Europe has become clearer than ever. The Project will contribute to strengthening Europe's food security—an increasingly critical objective—while also supporting the competitiveness of Spain's chemical and fertiliser industries. Equally important, the Muga project has been designed with a strong focus on environmental responsibility, operational efficiency and long-term sustainability, reflecting our commitment to responsible resource development.

I would also like to recognise the dedication and professionalism of our team members. Their commitment during a particularly challenging year has been essential in maintaining progress and strengthening the foundations of the Project. Looking ahead, our priorities remain clear: resolving the administrative matter pertaining to the Goyo permit, securing the investment required for the construction of Muga, and continuing to strengthen our relationships with public institutions, partners and local communities.

I would like to thank our shareholders for your continued support and confidence as we work towards unlocking the full potential of this important Project.



Carles Alemán

Executive Director of Highfield Resources and CEO of Geocalci, S.L.U.

27 March 2026

# Sustainability Report

For personal use only



# CEO Message

2025 has been a challenging year for the Company which has tested our resilience. However, despite this our long-term commitment to responsible resource development remains intact.

The Muga Project was conceived as a generational investment - providing benefits for the provinces of Navarra and Aragón, for Spain, and for Europe's food security and strategic autonomy. While awaiting the resolution of the legal administrative matter relating to the Goyo permit before the Spanish Supreme Court, our vision remains firm. Responsible domestic production of essential raw materials is not a short-term ambition; it is a structural necessity in an increasingly volatile world.

Throughout this period, we have acted with prudence and respect for institutional processes. We have maintained dialogue with communities and public authorities. We have upheld discipline in capital allocation, and we remain committed to advancing a project that meets the highest environmental, social and regulatory standards.

Our responsibility is clear: To combine strategic relevance with environmental integrity, social commitment, and disciplined governance.

***“Responsible domestic production of essential raw materials is not a short-term ambition; it is a structural necessity in an increasingly volatile world.”***



*Carles Alemán, CEO of Geocali, S.L.U. and Executive Director of Highfield Resources.*

For personal use only

# ESG Performance

## Muga Potash Project – Sustainability Perspective

Highfield’s vision to develop a sustainable potash operation and salt production in Europe remains firmly in place. This Sustainability Report has been prepared as part of the Company’s continued effort to align with the evolving requirements of the Corporate Sustainability Reporting Directive (“CSRD”) and the European Sustainability Reporting Standards (“ESRS”). In doing so, we aim to provide transparent, structured and decision-useful information regarding our environmental, social and governance performance, as well as the strategic context in which the Muga Project operates.

In 2025, a judicial claim affecting the permitting framework continued, resulting in the Muga Project being placed on hold in all operational aspects. Implementation activities and capital deployment decisions have been paused pending legal clarity. Despite these challenges, institutional, community and sectoral support of the Muga Project have remained visible throughout the year. This sustained backing reflects not only the anticipated regional economic contribution of the project, but also the intrinsic strategic value of potash, the agricultural source of potassium.

Potassium is a structurally non-substitutable nutrient essential to agricultural productivity. It improves nutrient-use efficiency, strengthens crop resistance to water stress, enhances resilience to climate variability, and increases yield per hectare — thereby reducing pressure on land use and contributing to agricultural adaptation objectives. These characteristics position potash not merely as a mineral commodity, but as a strategic input within Europe’s food security framework.

At the same time, the co-production of high-purity vacuum salt provides an additional strategic industrial input for Europe’s chemical value chain. Vacuum salt, with sodium chloride purity levels above 99.9%, is a critical raw material for electrochemical processes such as the production of chlorine and caustic soda, which underpin a wide range of downstream industries including PVC, polyurethanes, water treatment chemicals and disinfectants. Ensuring a reliable domestic supply of this feedstock supports the competitiveness and resilience of the Spanish chemical industry while reducing dependence on imported salt used in chlor-alkali processes.

Europe’s reliance on a limited number of external suppliers of potash exposes it to geopolitical tensions, trade disruptions and market volatility. In parallel, the chemical industry’s dependence on imported high-purity salt for electrochemical processes creates additional supply vulnerabilities. In this context, responsible domestic production under European Union environmental and governance standards — such as that proposed for the Muga Project — represents a resilience strategy that strengthens supply security across both agricultural and industrial value chains while remaining aligned with sustainability objectives, strategic autonomy considerations, and the double materiality principles embedded in the CSRD framework.

## Environmental Dimension

Global Perspective: In addition to its agricultural role, potash extraction also generates halite (rock salt / sodium chloride) as part of the mineral assemblage. Through subsequent processing and purification, this material can be transformed into high-purity vacuum salt suitable for industrial applications. Rather than constituting a residual waste stream, this recovered salt becomes a valuable input for key industrial processes, particularly chlor-alkali electrolysis used to produce chlorine, caustic soda, and hydrogen. These basic chemicals underpin a wide range of downstream industries including PVC production, water treatment, pharmaceuticals, disinfectants, and advanced materials manufacturing. The valorisation of halite through post-processing therefore contributes to industrial resource efficiency while supporting supply security for essential chemical value chains in Europe.

This contribution aligns with:

- ESRS E1 – Climate Change (Adaptation)
- ESRS E4 – Biodiversity and Ecosystems
- ESRS E5 – Resource Use and Circular Economy

**Project Perspective:**

The Muga Project has been designed upon the basis of a Zero Residue Mine concept. Under this model, extracted mineral streams are managed to maximise resource utilisation. Halite generated during potash extraction can be directed to downstream treatment processes where it is refined into high-purity vacuum salt for industrial use, while remaining process materials are intended to be reintegrated underground in mined-out voids. This approach minimizes permanent surface tailings storage, reduces long-term land disturbance, and promotes the productive use of mineral outputs across multiple value chains.

By enabling the recovery and downstream processing of salt alongside potash production, the project supports circular resource use and reduces the environmental footprint associated with both mining operations and industrial supply chains.

Muga Mine production within the European Union ensures strict compliance with environmental directives governing emissions, water management, and waste control. This supports:

- Responsible resource extraction under EU environmental standards
- Reduced reliance on imported potash and industrial salt
- Strengthened supply security for both agriculture and strategic chemical industries

**ESRS E2 – Pollution Prevention and Control**

The Project incorporates optimised energy consumption measures through efficient mine design, reduced material handling, and process optimisation intended to minimise energy intensity per tonne of product. The combination of underground backfilling and operational efficiency contributes to lowering the overall environmental footprint of production compared to conventional potash mining models.

Although the structural recycling potential of potash remains limited once applied in agricultural systems, the Company will actively promote innovation in nutrient-use efficiency and precision fertilisation technologies. By prioritising optimised application rates and agronomic performance, the sustainability value of potash lies in maximising crop productivity while minimising resource intensity and environmental externalities.

This approach aligns with:

- ESRS E5 – Resource Use and Circular Economy

**Environmental Performance – 2025**

During the 2025 reporting period, activity on site was minimal. Environmental indicators reflect this status, with:

- Zero environmental accidents/incidents during 2025
- Zero operational energy consumption recorded in 2025, and
- No further land disturbance during the period.

This reflects the temporary suspension of development works rather than a change in the Project's long-term operational design.

Indicator	2025 Result
Energy Use (GJ)	0
GHG Emissions Scope 1 (t CO <sub>2</sub> -e)	Not measured
GHG Emissions Scope 2 (t CO <sub>2</sub> -e)	Not measured
Water Abstracted (ML)	-
Water Discharged (ML)	-
Waste Recycled (tonnes)	Not measured
Land Disturbed (ha)	-
Land Rehabilitated (ha)	-

## Social Dimension

### Global Perspective:

Mining operations within the European Union can generate significant positive socio-economic impacts for nearby communities, particularly in rural territories experiencing structural depopulation, economic contraction and ageing demographics. The Muga Mine Project is located in a region characterised by sustained population decline and limited industrial diversification. In this context, responsible mining development represents a long-term economic anchor capable of supporting territorial resilience and community stability.

Through the creation of direct and indirect employment, the strengthening of local supply chains, and the stimulation of auxiliary services, the Project contributes to income generation, skills development and the retention of working-age population. Increased economic activity can enhance the viability of public infrastructure and essential services (such as education, healthcare and transport), thereby reinforcing social cohesion and reducing outward migration pressures.

In line with ESRS S3 – Affected Communities, the Project’s social contribution is assessed not only in terms of economic output but also in its capacity to support sustainable regional development, promote inclusive growth and maintain constructive engagement with local stakeholders. By embedding long-term industrial activity in a highly depopulated area under EU governance standards, the Project contributes to balanced territorial development while respecting community rights, environmental safeguards and participatory processes.

### Project Perspective:

Stakeholder engagement remained active throughout 2025 despite the operational pause. A breakfast meeting with regional mayors hosted by Carles Alemán brought together more than 20 community members, reinforcing transparency and dialogue within the Comunidad Muga – liaison community initiative.



*Carles Alemán greets Comunidad Muga -community representatives*

The Muga Project continues to be perceived as a potential anchor for long-term skilled employment and rural economic diversification (ESRS S1). Indirect impacts on food security link to ESRS S4 (Consumers and End-Users).

#### **Snapshot of Support and Public Coverage (Selected Highlights)**

Government and Institutional Support:

- 30–31 January 2025: High-level political attention seeking solutions to unblock the project.
- 10–11 February 2025: Public reaffirmation of support by the Government of Navarra.
- 18 March 2025: Navarra TV highlighted the importance of considering investment impact.

Community and Local Authorities:

- 2 February 2025: Local farmer support linking Project to employment and anti-depopulation.
- 8 March 2025: Sangüesa-area Mayors requested project unblockage.



Community representatives formally delivered a letter of support for the Muga Project to the representative of MITECO (the Spanish Ministry for the Ecological Transition and Demographic Challenge)

Opinion Leaders:

- Jan–Mar 2025: Editorials characterized Muga as strategic and warn of bureaucratic paralysis.
- 3 March 2025: National coverage framed Muga as a major strategic mining project at risk.

Political and Social Stakeholders:

- February 2025: Public concern and support for workers during the furlough scheme developments.
- 12 March 2025: Agricultural union called for action to address regulatory barriers.

Late-2025 Debate:

- Aug–Sep 2025: Continued political and media debate and reaffirmations of support.

**Social Performance – 2025**

Socially, the Company promotes a resilient and sustainable local economy through its Buy Local Policy, encouraging employees, contractors, and subcontractors to prioritise qualified local suppliers whenever possible. Throughout 2025 the Company maintained its continuous and transparent dialogue with local communities and key stakeholders in the 'Comunidad Muga' area. No social grievances were recorded during the year, and stakeholder engagement remained constructive, reflecting sustained local support despite the challenges faced.

Indicator	2025 Result
Community Investment / Donations (€)	€16,900
Employees (FTE) and Local Contractors Employed during the year	34
% Workforce Residing Locally	100%
Spend on Local Suppliers (€)	€271,572

**Safety Performance – 2025**

The following table summarises the Company’s occupational health and safety performance for the 2025 reporting period. No fatalities, lost time injuries or recordable injuries occurred in 2025. In addition, no corporate occupational accidents occurred during the year.

Safety is a fundamental pillar of the Company’s operating philosophy and risk management framework. Our commitment to a zero-harm culture is embedded in our governance systems, contractor management standards and internal procedures. Protecting the health and wellbeing of employees, contractors and partners remains a non-negotiable priority and a core value of the organisation.

Indicator	2025 Result
Fatalities	0
Lost Time Injuries (LTI)	0
Total Recordable Injuries (TRI)	0
LTI Frequency Rate	0
TRI Frequency Rate	0

**Employees**

The table below presents the workforce composition as of 31 December 2025. During the year the Company implemented disciplined cash preservation measures to ensure financial resilience while safeguarding its ability to progress the Project when regulatory clarity is achieved on the Goyo permit.

Geoalcali maintained a small but skilled core team during the year to preserve technical knowledge, project continuity and institutional capacity. At the same time, the Company acted in full compliance with labour legislation, respecting employee rights and maintaining constructive dialogue with staff representatives.

Indicator	As at 31 Dec 2025
Employees	16
Female Employees	5
Male Employees	11
% Workforce Residing Locally	100%

## Governance Dimension

The Company continues to adopt a prudent and measured approach to expenditures. It remains respectful of institutional processes and is committed to constructive and transparent dialogue with all relevant stakeholders.

in 2025 the Company has focused on disciplined expenditure management. This includes preserving cash resources, maintaining a lean and technically capable core team, and ensuring the protection of stakeholder interests — including shareholders, contractors, investors, public authorities and local communities.

On-site activity in 2025 was limited due to the focus on securing a strategic partner. There were no recorded accidents and no formal grievances during the reporting period. Efforts throughout 2025 have centered on sustained multi-level dialogue with government representatives, institutional stakeholders and communities.

By combining financial prudence, regulatory respect and ongoing stakeholder engagement, Geoalcali continues working constructively toward solutions that will enable the Muga Project to progress in a responsible and sustainable manner in the future.

## About this Report

This report has been prepared in progressive alignment with the CSRD and the ESRS, while also referencing the GRI Standards – (**Core version**) to ensure international comparability and transparency.

The matrix below demonstrates structured alignment between European regulatory disclosure requirements and globally recognized sustainability reporting standards such as GRI.

Report Topic / Section	ESRS Reference	GRI Reference	How Addressed in Report
CEO Message & Strategic Commitment	ESRS 2 (GOV-1, GOV-2, SBM-1)	GRI 2-22	CEO statement outlining sustainability strategy, governance discipline and long-term commitment.
Business Model & Strategic Autonomy	ESRS 2 (SBM-1, SBM-2)	GRI 2-6	Potash framed as strategic product for food security and EU resilience.
Judicial Pause & Regulatory Compliance	ESRS G1	GRI 2-27	Disclosure of legal process, respect for due process and capital prudence.
Double Materiality & Risk Framework	ESRS 2 (IRO-1, IRO-2, GOV-5)	GRI 2-12	Identification of geopolitical, regulatory, climate and social risks.
Climate Adaptation Contribution	ESRS E1	GRI 201-2	Potash improves agricultural resilience and climate stress response.
Energy Consumption	ESRS E1	GRI 302-1	2025 energy use disclosed (0 GJ due to pause).
GHG Emissions (Scope 1 & 2)	ESRS E1	GRI 305-1, 305-2	Not measured in 2025; operational inactivity explained.

Report Topic / Section	ESRS Reference	GRI Reference	How Addressed in Report
Pollution Prevention & Zero Residue Mine	ESRS E2	GRI 306	Underground backfilling and minimized surface waste model.
Water Use & Discharge	ESRS E3	GRI 303-3, 303-4	No water abstraction/dischARGE during reporting year.
Biodiversity & Land Use	ESRS E4	GRI 304	No additional land disturbance; reduced expansion pressure narrative.
Circular Economy & Nutrient Efficiency	ESRS E5	GRI 306 / 301	Precision fertilisation and resource efficiency framing.
Workforce Composition	ESRS S1	GRI 2-7, 405-1	Employees: 20; gender breakdown disclosed.
Occupational Health & Safety	ESRS S1	GRI 403-9	Zero fatalities, zero LTIs, zero TRIs.
Community Engagement	ESRS S3	GRI 413-1	Stakeholder meetings, breakfast with mayors, ongoing dialogue.
Community Investment	ESRS S3	GRI 203-1	€16,900 community contribution disclosed.
Local Economic Impact	ESRS S3	GRI 203-2	€271,572 spend on local suppliers; rural resilience narrative.
Food Security & End Users	ESRS S4	GRI 416 (indirect)	Contribution to food system stability and agricultural productivity.
Public Policy & Institutional Dialogue	ESRS G1	GRI 415	Public institutional engagement described; no political funding disclosed.
Consolidated ESG Snapshot	ESRS 2 (Metrics & Targets)	GRI 2-6, Topic metrics	Quantitative ESG indicators disclosed for FY2025 with operational context. , The quantitative environmental metrics reflect the limited on-site activity, while governance, stakeholder engagement, and strategic disclosures remain fully active and transparent.

# Directors' Report

For personal use only

The Directors present their report for Highfield Resources Limited (“Highfield Resources”, “Highfield”, or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2025.

## Directors

The names, qualifications, and experience of the Company’s Directors in office during the year and up to the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

### **Directors in place as at 31 December 2025:**

#### **Mr. Paul Harris**

##### **Independent Non-Executive Chairman, B Comm, M Eng. (Mining) GAICD**

Mr. Harris has over 25 years’ experience in financial markets and investment banking, including roles with Citibank, Bankers Trust and Merrill Lynch advising mining organisations on strategy, mergers and acquisitions, and capital markets. He is well known by the Australian investment community and was also Managing Director – Head of Metals and Mining at Citi for several years.

Most recently Mr. Harris has been working with mining company boards as a non-executive director as well as providing advisory services on strategy and finance. He is currently the non-executive Chairman of Koonenberry Gold Limited (ASX:KNB) and is the Executive Chairman of Aeon Metals Limited. In the three years immediately prior to the end of the financial year Mr. Harris was non-Executive Chair of Aeon Metals Limited until its delisting in May 2025, and non-executive Director of Aurelia Metals Limited (ASX:AMI).

Mr. Harris has a Masters of Engineering (Mining) and a Bachelor of Commerce (Finance) from the University of New South Wales and is a graduate of the Australian Institute of Company Directors.

#### **Ms. Pauline Carr**

##### **Independent Non-Executive Director, BEcon, MBA, FAICD, FGIA, FCG (CS CGP)**

Pauline Carr is a professional non-executive director and has over 35 years’ commercial and executive experience with Australian and international listed companies spanning management, corporate governance and compliance, risk, investor and stakeholder relations and business improvement. Originally an accountant her professional and directorial career has encompassed a range of sectors including resources and energy, property and construction, financial services, pharmaceutical, community healthcare, retail and higher education.

In addition to her oil and gas experience Pauline’s resources sector experience has been gained over 35 years and covers a range of mineral commodities – gold, base metals, industrial minerals, iron ore, tungsten, potash and more recently rare earths.

Her current Board roles include Chancellor of the Adelaide University, Chair of National Pharmacies, and since 2021 non-executive director of ASX listed Australian Rare Earths Limited (ASX:AR3).

In the three years immediately before the end of the financial year, Ms. Carr did not hold any other listed company directorships.

## Mr. Carles Alemán (joined the Board on 23 September 2025)

### **Executive Director and Chief Executive Officer of Geoalcali S.L.U.**

On 16 May 2025, the Company confirmed the appointment of Mr. Carles Alemán, previously Head of Plant Construction & HSE for the Muga project, as CEO (Geoalcali director general) to lead local operations and government engagement in Spain. On 23 September 2025 Mr. Alemán was appointed as an executive Director to the Highfield Board.

Mr. Alemán is a well-respected professional with over 30 years' commercial of international experience and leadership in chemical and mining industries. He has held senior positions at BASF, CIBA-GEIGY, and Pymag-Curtin and was the President of ICL Iberia (Spain & Portugal) during the period from 2017 to 2021 when he managed a project of €600+ million Capex comprising mining operations, industrial processing, and logistics and port infrastructure as well as a new 5km ramp to the mine. He holds degrees in Business Sciences, Chemistry and Pharmacy as well as Masters in Chemistry. In addition, he holds an MBA from ESADE Business School in Barcelona.

In the three years immediately before the end of the financial year, Mr. Alemán did not hold any other listed company directorships.

### **Directors for part of the year:**

## Mr. Roger Davey (resigned as a Director 21 March 2025)

### **Former Independent Non-Executive Director, ACSM, MSc., C.Eng., Eur. Ing., MIMMM**

Mr. Davey is a Chartered Engineer with over 45 years' experience in the international mining industry. Up to December 2010, he was an Assistant Director and the Senior Mining Engineer at N M Rothschild (London) in the Mining and Metals project finance team, where for 13 years he was responsible for the assessment of the technical risk associated with all the current and prospective project loans. Prior to this his experience covered the financing, development, and operation of both underground and surface mining operations in gold and base metals at senior management and Director level in South America, Africa, and the United Kingdom. He is fluent in Spanish and a non-executive Director of London Listed, Central Asia Metals and Tharisa plc.

In the three years immediately before his resignation from the Board, Mr. Davey held no other directorships of any Australian listed companies.

## Mr. Ignacio Salazar (employment ceased 9 May 2025)

### **Former Managing Director and Chief Executive Officer**

Mr. Salazar has more than 30 years of experience in the natural resources industry. Ignacio assumed the position of CEO of Highfield in July 2020, after coming from Orosur Mining where he worked as CEO and CFO for 12 years. Mr. Salazar had previously pursued an 18-year international career in oil and gas exploration and production with Royal Dutch Shell.

In the three years immediately before his resignation from the Company, Mr. Salazar held no other directorships of any Australian listed company.

## Mr. Luke Anderson (resigned as a Director 23 September 2025)

### Former Non-Executive Director, BA (Accy), MAICD

Mr. Anderson is a qualified chartered accountant with over 25 years of experience in executive management, corporate development, corporate treasury, financial management and financial services roles in major international resource and transport companies across Australia and the United States. He also has extensive experience in business development in the resources sector and has been CEO of One Rail Australia and Unimin Corporation, the largest industrial mining company in North America.

In the three years immediately before his resignation from the Board, Mr. Anderson did not hold any other listed company directorships.

## COMPANY SECRETARY

### Ms. Katelyn Adams, B.COM (Acc/Fin), CA

Ms. Adams is a partner of HLB Mann Judd, with over 15 years of accounting and corporate advisory experience, servicing predominantly ASX listed companies. She has extensive knowledge in corporate governance, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting knowledge.

Ms. Adams is presently Company Secretary of Petratherm Limited, 1414 Degrees Limited, Mighty Kingdom Limited, Duxton Water Limited and Duxton Farms Limited.

In the three years immediately before the end of the financial year, Ms. Adams was a director of the former ASX listed company, Clean Seas Seafood Limited, until 2025.

## Board Committees

### Remuneration and Nomination Committee

The principal purpose of the Committee is to assist the Board fulfil its governance and oversight responsibilities in relation to the Group's remuneration practices so that they:

- Link rewards to the creation of value for shareholders;
- Facilitate operational excellence by attracting and retaining talent;
- Fairly and responsibly reward individuals having regard to individual and the Group's targets and performance as well as industry remuneration conditions; and
- Comply with applicable regulatory obligations.

In addition, the Committee oversees selected nomination activities so that boards within the Highfield Group comprise individuals who are best able to discharge the responsibilities of Directors having regard to the law and excellence in governance standards.

Members of the Committee, which is to have at least two non-executive directors, are appointed by the Board and comprise individuals with sufficient expertise and understanding of remuneration and related matters.

The members of the Remuneration and Nomination Committee as of the date of this report are Ms. Pauline Carr (Chair), and Mr. Paul Harris.

## Audit, Business Risk and Compliance Committee

The principal purpose of the Committee is to assist the Board fulfil its governance and oversight responsibilities relating to:

- The integrity of financial accounting practices and reporting;
- Risk management;
- Internal control framework and internal audit;
- External audit function; and
- Compliance with the Corporations Act, ASX Listing Rules and the ASX Corporate Governance and Principles.

Each member of the Committee is required to have sufficient accounting and financial expertise and an understanding of risk management strategies and the mining industry as a whole.

The members of the Audit, Business Risk and Compliance Committee are appointed by the Board and are currently Ms. Pauline Carr (Chairman), Mr. Paul Harris, and Mr. Carles Alemán.

## Interests in the Securities of the Company

As at the date of this report, the interests of the Directors in the securities of Highfield Resources Limited are as follows:

Director	Ordinary shares	Options over ordinary shares
Paul Harris	-	-
Carles Alemán	-	360,000 <sup>1</sup>
Pauline Carr	78,829	-

<sup>1</sup>Options held by Mr. Alemán comprise three tranches of 120,000 options each, expiring on 31 December 2026, 2027, and 2028, respectively with a strike price of \$0.79 per option.

## Results of Operations and Finance Review

The Company's net loss after taxation attributable to the members of Highfield Resources Limited for the financial year ended 31 December 2025 was \$69,796,058 (year ended 31 December 2024: \$19,234,078).

As the Group is still at the exploration phase, revenue obtained related to interests earned from the cash positions held by the Group both in Spanish and Australian banks.

Total consolidated cash on hand at the end of the financial year was \$3,473,945 (31 December 2024: \$11,959,572).

Net cash outflow from operating activities at \$8,617,211 (31 December 2024: \$8,805,932) was primarily used to fund General and Administrative costs.

Net cash outflow from investing activities of \$2,851,247 during the year ended 31 December 2025 (31 December 2024: \$5,254,826) was mainly related to advancing the Muga-Vipasca Project, including consultant fees and owner's costs. Proceeds from the sale of exploration and evaluation assets during the year partially offset the payments related to the Project.

Net cash inflow from financing activities of \$2,686,148 during the year ended 31 December 2025 (31 December 2024: \$11,496,985) was mainly driven by proceeds received from the conditional component of the institutional placement commenced in September 2024 and received in January 2025 (A\$7.9 million, net of costs) and amounts received in December 2025 from the issue of the third tranche under the convertible notes agreement with EMR, Tectonic and another institutional investor (A\$3.1 million combined). These inflows were partially offset by commitment fees of approximately A\$8.3 million paid to the Project Finance banks as part of the facility termination agreement.

The attached financial report for the year ended 31 December 2025 contains an independent auditor's report which highlights the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to note 2 in the financial report, together with the auditor's report.

## Dividends

No dividend was paid or declared by the Company during the financial year ended 31 December 2025 or up to the date of this report. No recommendation for payment of dividends has been made.

## Risk Management

### Risk Management Framework

Highfield's Risk Management Policy ("RMP"), contained in the Group's Code of Business Conduct and Ethics, lays the foundations for an effective risk management. At the strategic level the Risk Management Framework ("RMF") supports proactive management of documented risks through regular reviews. This framework defines how risks are to be managed at the Group level, and it also addresses the interconnectivity of the different tools to achieve the Group's objectives in this respect. The framework enables employees to identify new and emerging risks via an internally administered risk register, which captures control inputs, assigns roles and responsibilities, and tracks actions. Risk management practices are embedded into corporate governance and business operations

The Group's RMF is aligned with ISO 31000:2018 and follows three overriding risk management principles, namely:

- Empowering managers and risk owners;
- Developing risk management as a cultural discipline; and
- Supporting managers with the assistance they need to manage risks.

The RMF requires that the CEO and CFO report to the Board at least annually as to the effectiveness of the Group's management of its key business risks.

### Risk Governance and Appetite

While the RMF operates at the strategic level, at a tactical and operational level, the Risk Appetite Statement ("RAS") describes the amount and types of risk Highfield is willing to accept to achieve its objectives. In addition, the Register of stakeholders to the RAS identifies and classifies the stakeholders by their interest and influence on the Muga Project in an attempt to design policies aimed at engaging them further for the Project's benefit.

All these documents are to be reviewed by the Audit, Business Risk and Compliance Committee every year to ensure they remain up to date and fit for purpose.

The main purpose of the RAS is to communicate to staff clear, relevant risk appetite language they can understand and apply in their operational areas and help management make risk-informed decisions. The RAS has been considered by the Company's Audit, Business Risk and Compliance Committee and formally adopted by the Highfield Board of Directors.

The Group's appetite for risk in the different areas of its business is described in the table below.

Business Area	Strategic	Tactical	Operational
Capex	High	Moderate	Low
ESG	Zero	Zero	Zero
Technical	Moderate	Low/Zero	Low/Zero
Financial/Tax	High/Zero	Moderate/Zero	Low/Zero
Marketing/Logistics	High	Moderate	Low
H&S	Zero	Zero	Zero
HR	Moderate	Moderate	Zero
Reputational	Moderate	Moderate	Zero
Corporate	High	Low/Zero	Low/Zero

### Material Business Risks

The Directors have assessed the Group's current and future situation and have concluded that business risks are at this stage understood, well managed and are being regularly monitored.

The Group's financing and operating results are subject to various risks and uncertainties. The following risks are not listed in order of importance and are not intended to be exhaustive.

Risk Category	Risk Description	Potential Impacts	Mitigation Strategy
<b>Cash Availability</b>	Limited opportunities for the Company to raise funds in the capital markets until a ruling from the Spanish Supreme Court is received on the Goyo permit administrative matter and / or through the unified concession (timing uncertain in both cases).	Depletion of available cash and lack of financial resources to continue operating.  Liquidity pressure may impair the Company's ability to meet its short-term obligations, including payments to suppliers and employee salaries.	Stringent approach to cash management by postponing or cancelling non-essential expenditures.  Additional measures to reduce expenditure to limit cash outflow.  Approach the market for a capital raise after the Court's decision on the Goyo administrative permitting matter.  Proven track record of continuous support from the Company's shareholders.

For personal use only

Risk Category	Risk Description	Potential Impacts	Mitigation Strategy
<b>Project Costs</b>	<p>Construction costs could exceed those contemplated in the current Feasibility Study.</p> <p>Delays in construction start could prompt the main contractors to seek price increases beyond reasonable terms.</p> <p>Inflationary tensions might potentially push up energy prices and raw materials.</p>	<p>Cost model not fully factoring in the potential price increase and therefore, estimated funding requirements being insufficient or underestimated.</p>	<p>Regular monitoring of main suppliers and contractors to assess whether prices have escalated.</p> <p>The key construction contracts signed (civil works with Acciona and ramps and mining infrastructures with EPOS &amp; Tunelan) are lump-sum contracts that include price review formulas linked to construction public prices indexes (in general rather conservative and aligned with inflation) to limit possible cost escalation.</p> <p>Extension of key contracts under existing terms and/or controlled price revision formulas.</p> <p>Project contingency allowance of €40.0 million (or 10% of the direct and indirect construction costs), is deemed appropriate by the Company and in line with similar projects and market practices.</p>
<b>Licences, Permits and Approvals</b>	<p>Loss of good standing of the permits required to progress the Project amid ongoing court proceeding regarding the Goyo Mining Concession.</p>	<p>Delay in the Project's development.</p> <p>Adverse impacts on reputation, financial performance and Project valuation.</p> <p>Loss of stakeholder confidence.</p> <p>Inability to raise funds to continue operating.</p>	<p>Management is closely monitoring the court process and maintaining regular communication with the relevant Administrations and is planning for different strategies depending on the court proceeding outcome.</p> <p>Preparing and assessing alternative strategies based on the potential ruling of the Supreme Court to ensure timely decision-making and to minimise Project impact.</p>
<b>Environmental and Climate Change</b>	<p>The activities of the Group are subject to the environmental laws and regulations of Spain.</p> <p>As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly when Muga is taken to the mine development stage where substantial infrastructure will need to be built.</p> <p>The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area.</p>	<p>Operational disruptions and increased costs due to climate-related events.</p> <p>Adverse impacts on reputation, financial performance and valuation.</p> <p>Loss of stakeholder confidence.</p>	<p>The Group aims to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.</p> <p>A Climate Change Risk Policy has been developed. This policy sets out the broad principles, responsibilities and practices that will be used to manage the Group's climate change risk exposure from an operational, governance and risk management perspective. The policy will be further developed and implemented as the volume and complexity of the Group's activities grow</p>

Risk Category	Risk Description	Potential Impacts	Mitigation Strategy
<b>Workforce</b>	<p>The delay in the Muga Project’s commencement may result in a fall in staff commitment to the Project and a consequent decision to accept or consider other employment offers</p> <p>The loss of experience and expertise from the Group, could impact the Project.</p>	<p>High employee turnover rates.</p> <p>Loss of accumulated in-house knowledge.</p> <p>Reduced interest in the Company, resulting in higher costs to attract talent.</p>	<p>Staff retention programs are in place to retain key talent.</p> <p>Competitive remuneration packages offered to the Group’s employees</p> <p>Surveys to anticipate staff demands and expectations in terms of welfare, training needs and professional expectations have been conducted periodically.</p> <p>Training programs are in place with the Regional Employment Offices of Navarra and Aragón to build a talent pool of potential local candidates to allow the Group to recruit experienced and skillful and also wherever possible local personnel for the construction phase of Muga mine.</p>
<b>Health &amp; Safety (H&amp;S)</b>	<p>Inadequate H&amp;S management systems may lead to increased workers’ compensation costs, workforce disruptions, reputational damage and potential loss of social license to operate in local communities.</p>	<p>Reduced workforce wellbeing and productivity.</p> <p>Operational disruption due to inadequate emergency response or crisis management.</p> <p>Legal, financial and reputational consequences from non-compliance with evolving health and safety obligations.</p>	<p>Safety KPIs tailored to the current position of the Group in the value mining chain have been defined and are assessed monthly as part of the H&amp;S strategy. These performance variables have been embedded in the Group’s remuneration framework and hence, employees’ variable at risk remuneration is partly determined by the Group’s H&amp;S performance.</p> <p>A bespoke Crisis Management Manual is in place and reviewed annually to ensure its currency and that it remains fit for purpose.</p> <p>The Manual provides a framework for managing a range of crises This manual aims to manage a crisis (whatever its nature) within the business and strives to minimize harm and restore operations as soon as practicably possible. The manual is led by the following unwavering priorities:</p> <ul style="list-style-type: none"> <li>- the safety and welfare of all workers and the public,</li> <li>- environmental protection,</li> <li>- protecting the Company’s reputation, assets and facilities, and the rapid restoration of operational continuity.</li> </ul> <p>Crisis simulations exercises have been periodically conducted to test the procedures included in the manual and lessons learnt from the exercise are documented and adjustments / improvements are implemented</p>

# Corporate Structure

Highfield Resources Limited is a company limited by shares, which is incorporated and domiciled in Australia. Through its 100% owned subsidiary, KCL Resources Limited, Highfield owns 100% of Geocali, S.L.U. (“**Geocali**”), a Spanish incorporated company which hold the Group’s three exploration projects.

## Nature of Operations and Principal Activities

The principal activity of the Group during the financial year was advancing its flagship Muga-Vipasca Project in the north of Spain. There was no significant change in the nature of the Group’s activities during the financial year ended 31 December 2025.

## Review of Operations

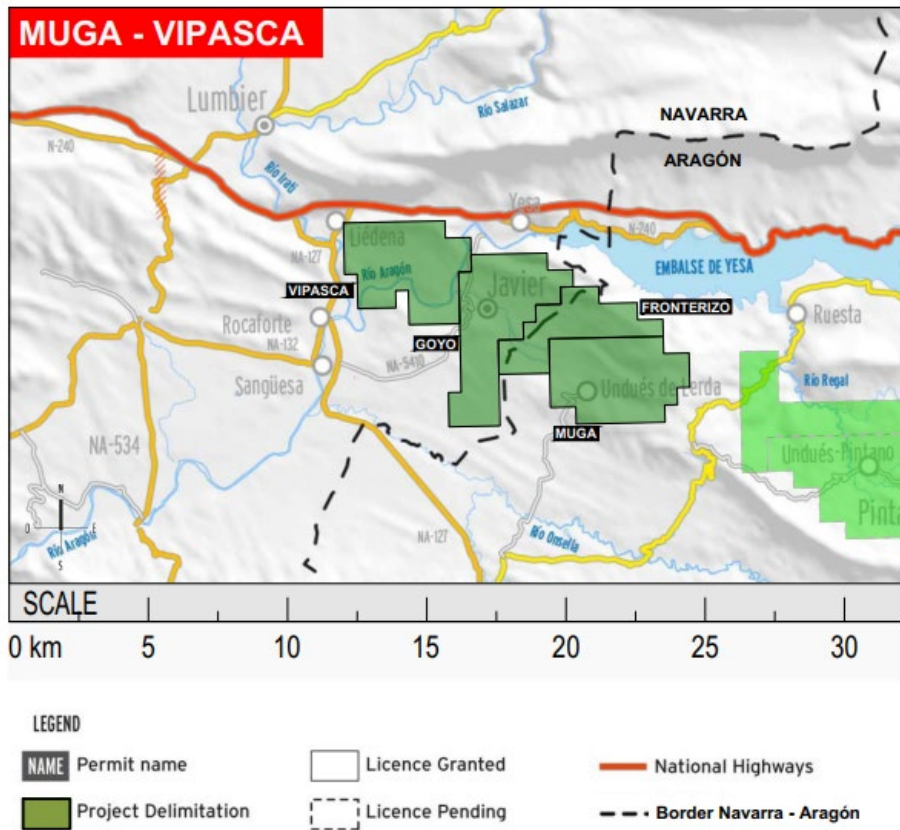
Highfield Resources Limited is a potash company listed on the Australian Securities Exchange (“ASX”) with three 100% owned potash projects located in Spain’s potash producing Ebro Basin.

### Muga–Vipasca Project

The Muga Project (“Muga” or “the Project”) is targeting the relatively shallow sylvinite beds in the Muga Project area that covers about 40km<sup>2</sup> located in the regions of Navarra and Aragón. Mining is planned to commence at a depth of approximately 350 metres from surface and is, therefore, ideal for a relatively low-cost conventional mine accessed via a dual decline.

The Vipasca area, located west of the Muga Project, spans 14 km<sup>2</sup>, but recent geological data has confirmed only the eastern section—considered a natural continuation of the Muga deposit—is economically viable. This portion has been reclassified from an Exploration Target to a Mineral Resource and is treated as an extension of the Muga Mining Concession. In early 2022, the Company requested the Government of Navarra to convert the Vipasca investigation permit into a mining concession, a process that will run in parallel with Muga’s construction.

During the financial year, the Group continued to progress the Muga-Vipasca Project.



### Permitting Update

In the fourth quarter of 2024, the Company was informed of a procedural administrative matter raised by the Superior Court of Justice of Navarra (“TSJN”) relating to the historical coordination between the Government of Navarra and the Spanish central government in connection with the approval of the Goyo concession (refer ASX announcement dated 27 October 2024, “Goyo Mining Concession Update”).

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. The outcome will determine whether another judicial process will need to occur or whether an administrative solution with the Spanish provincial administration can be pursued to resolve the matter. As at the date of this report, no decision had been made by the TS. The Company awaits the outcome of the appeal admission process and will apprise shareholders upon receipt of a decision or any material developments.

Notwithstanding the appeal process and the procedural uncertainty, the Government of Navarra confirmed (refer ASX announcement dated 30 January 2025, “Highfield Resources Welcomes Government Support for Muga Potash Project and Resolution of Goyo Permit Matter”) that both the President of Navarra, Ms. Chivite, and the Vice President of Spain, Ms. Aagesen, had agreed to continue working collaboratively to support the development of the Muga Mine. The Government of Navarra has subsequently reaffirmed its institutional support for the Muga Project and acknowledged Highfield and other investors for their roles in advancing such initiatives, while also recognising that there are no fixed dates or defined schedules for the various administrative processes for such matters in the Spanish judicial system (refer ASX announcement dated 1 December 2025, “Company Update”).

The Group remains committed to resolving the issue in a timely and constructive manner and to advancing the Muga Project on a timely basis, and believes that this matter can be resolved satisfactorily, supported by strong institutional alignment and coordinated appeals across three levels of Spanish government, as well as the comprehensive environmental and technical approvals already secured for the Muga Project.

### **Construction Update**

The Company simplified its contracting strategy for the Muga-Vipasca Project and has moved towards an owner-managed execution model, with underground works carried out by a specialized mining contractor and surface works handled by a general contractor.

The March 2024 €48 million, 26-month contract with the EPOS TUNELAN joint venture for the construction of the declines and underground infrastructure is currently on hold. The contract will be reactivated once financing is secured and is aligned with the cost and schedule estimates of the 2023 Feasibility Study.

The Company also has a joint cooperation agreement with a leading construction company for the development of the above ground civil works necessary for the processing plant for the Muga Project to be built (“urbanization”). The processing plant’s construction will be tendered through a competitive process involving leading national companies in the sector once financing for the Muga Project is secured.

With the Project designs completed and the mining works contracted, the Company is in a position to begin construction of the Muga mine once the permitting and financing processes are finalized.

### **Technical Update**

The Company has signed all major processing plant equipment purchase contracts, completing this stage of project preparation. These contracts will become effective only upon securing project funding, at which time Notices to Proceed will be issued and equipment manufacturing will commence.

Further to the 2023 Feasibility Study Update (which incorporated minor adjustments, developed in collaboration with the plant equipment manufacturers, resulting in improvements in both Capital and Operating expenditure and final product quality) and in line with continuous improvement and operational excellence philosophy, the project has continued to be further enhanced. These enhancements are being integrated into the final processing plant design, ensuring a more robust Project.

### **Sales and Marketing Update**

Global potash markets continue to be influenced by geopolitical developments, with trade sanctions on Belarus and restricted access to Russian supply having materially reshaped trade flows in Western markets since 2021. While demand conditions stabilised during 2025, buyers increasingly prioritise secure, politically stable jurisdictions when considering long-term supply arrangements. In this context, the Company has continued high-level engagement with potential offtake and logistics counterparties, focused on future supply security rather than near-term pricing.

Long-term demand fundamentals for potash remain strong, underpinned by population growth and declining arable land per capita. The Company’s marketing strategy remains aligned with the 2023 Updated Feasibility Study, which envisages a phased product approach at the Muga Project. Phase 1 production is planned as standard-grade muriate of potash (“SMOP”), with granular-grade muriate of potash (“GMOP”) introduced in Phase 2. This staged approach reflects regional demand patterns and allows for a progressive implementation of logistics and distribution infrastructure as the Project advances.

## Financing Update

### Cancellation of Muga Project Finance Facility

Highfield submitted a formal request to its lenders under the Senior Secured Project Finance Facility to amend key terms and seek waivers in respect of certain provisions of the Facilities Agreement (refer ASX releases dated 28 January 2025, “Update on Facilities Agreement and Project Financing”, and 1 April 2025, “Progress Update on Agreement with Yankuang”). As part of this process, Société Générale, BNP Paribas and Natixis exited the Facility. Subsequently, the remaining syndicate lenders—ING, HSBC and Caja Rural de Navarra—also agreed to exit the Facility (refer ASX release dated on 11 September 2025, “Project Finance Facility Update”). With the departure of these lenders, the Facility was terminated removing the obligation to pay ongoing commitment fees.

This move was consistent with the Company’s focus on preserving cash and extending its cash runway while progressing the Project.

### Termination of Implementation Agreement with strategic investors

During the third quarter of 2025, China Minmetals Corporation (“CMC”) and its subsidiary Qinghai Salt Lake Industry Co., Ltd. (“QSL”), advised Highfield and Yankuang Energy of their decision not to proceed with the proposed strategic transaction contemplated under the non-binding Letter of Intent, as previously announced on 13 May 2025, 4 July 2025 and 18 July 2025 (refer ASX announcement dated 18 August 2025, “Update on Proposed Strategic Investment”). Following this decision, Highfield received notice from Yankuang Energy Group Co., Ltd. (“Yankuang Energy”) terminating the Implementation Agreement and associated equity subscription agreement (Refer ASX announcement 16 September 2025 “Termination of Implementation Agreement with Yankuang”). Upon termination of the facility, the Group recognised the remaining unamortized transaction costs as an expense in the Statement of Profit or Loss, as the related financing arrangement was extinguished.

### Convertible Notes

In May and July 2025, EMR Capital, as the controlling noteholder, agreed to extend the maturity dates of Highfield’s convertible loan notes in connection with the transaction with QSL, with maturity ultimately linked to the termination of that transaction (Refer ASX announcements dated 13 May 2025, “Highfield Secures Additional Financial Support from EMR Capital” and 31 July 2025, “Amendment to Convertible Note Terms”). Following termination of the Implementation Agreement with Yankuang Energy, the convertible notes matured and became repayable on demand; however, EMR confirmed it would not take enforcement action and entered into a standstill arrangement until 31 October 2025, subject to conditions (refer ASX announcement dated 11 September 2025, “Convertible Note Standstill Agreement”).

After requesting a voluntary suspension of trading in its securities, the Company entered into a binding term sheet with EMR Capital, Tectonic and another existing investor for A\$10 million of new convertible notes, together with amendments to the existing convertible notes to align their terms with the new notes, including maturity date, interest rate, conversion price, undertakings and events of default (refer ASX announcement dated 14 October 2025, “Highfield Secures A\$10M of Financial Support”). As a result, the maturity date of the existing convertible notes will be 12 months from the date of issuance of the new notes. All resolutions relating to this new funding, including approvals for the issue of securities and the grant of security to noteholders, were approved by shareholders at the Company’s EGM held on 1 December 2025 (refer ASX announcement dated 1 December 2025, “Results of Extraordinary General Meeting”).

For personal use only

### Updated Feasibility Study

In the fourth quarter of 2023, the Company completed an Updated Feasibility Study for the Muga Project (refer ASX announcement dated 7 November 2023, "Updated Muga Feasibility Study"). The study incorporated a more advanced level of engineering and refined key mining and processing parameters. It reaffirmed a 30-year Life of Mine and a staged production profile targeting up to 1 million tonnes per annum across two development phases.

The Updated Feasibility Study confirmed a competitive average C1 cash cost of €108 per tonne, net of by-product salt revenue, and estimated capital expenditure of €449 million for Phase 1 and €286 million for Phase 2. To enhance confidence in the capital cost estimates, the study incorporated global cost inflation assumptions and was supported by contract values and firm offers covering approximately 93% of the updated capex estimate, compared with 76% in the previous Feasibility Study. The revised analysis demonstrated the robust economics of the Muga Project, with an estimated NPV8 of €1.82 billion and an internal rate of return of 23%.

For personal use only

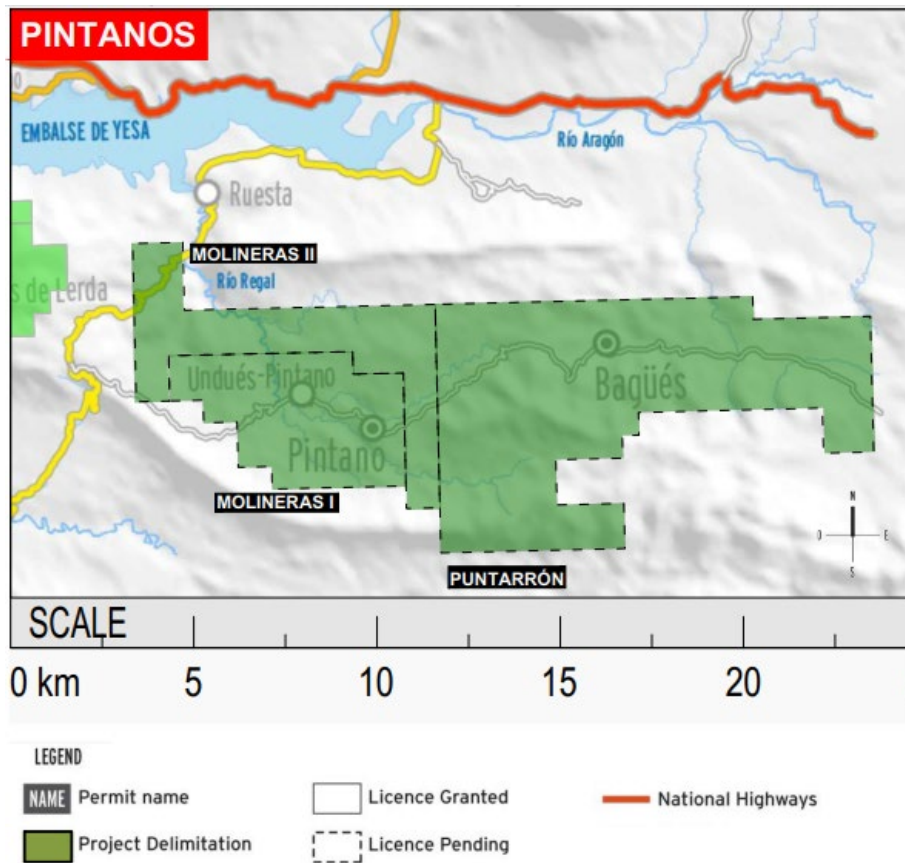
## Pintanos Project

The Pintanos tenement area, comprising the three permits of Molineras 1, Molineras 2 and Puntarrón covers an area of 65km<sup>2</sup>.

Geoalcali was granted a three-year extension on the drilling permit at Molineras 1 in 2020. Prior to the permit’s scheduled April 2023 expiry, the Company requested its second three-year extension, which was granted for an additional year on 4 January 2024. The Company elected to allow this permit to expire in early 2025 as no drilling activity was carried out in this tenement during the year ended 31 December 2024. The Company is now working with the mining authorities to reactivate the permit which would allow the Muga potash deposit to be extended eastwards.

With respect to Molineras 2 and Puntarrón the Company continues to await the decision of the authorities regarding the drilling permit at these two tenements whose application process was re-initiated in 2019. As a result, no drilling activity was carried out in these tenements during the year ended 31 December 2025.

The present priority for the Company remains the development and construction of the Muga Potash mine.

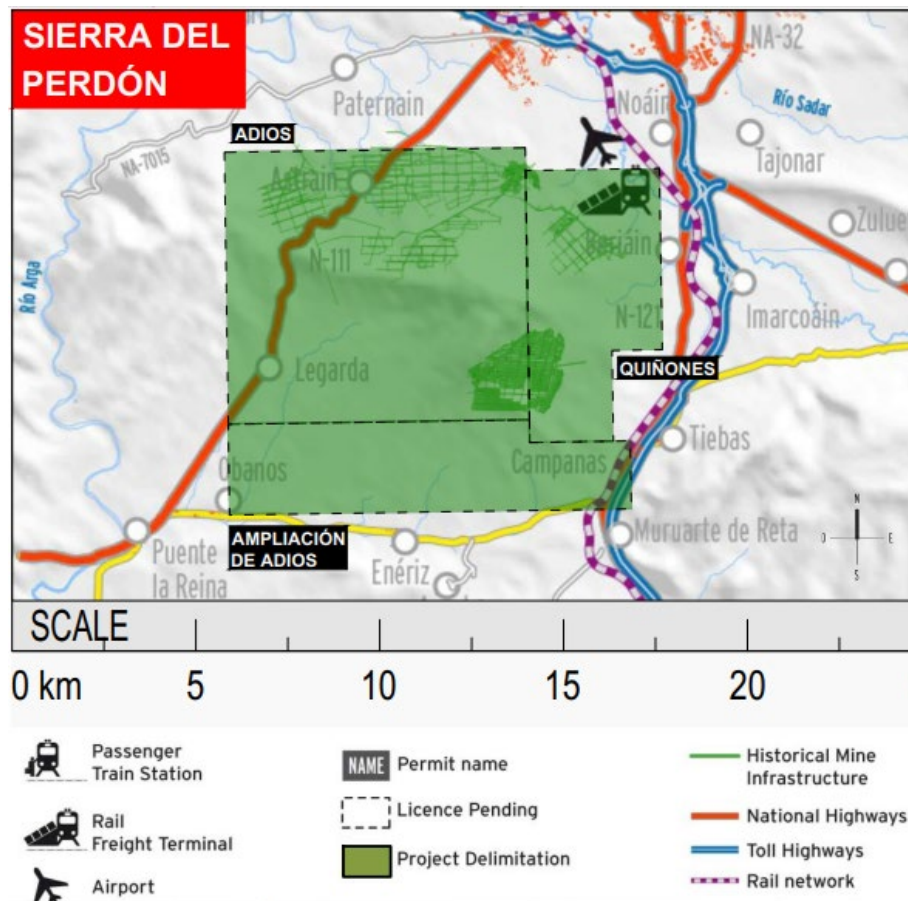


## Sierra del Perdón Project

Located southeast of Pamplona, the Sierra del Perdón tenement area (“SdP”) covers approximately 125km<sup>2</sup> and comprises the three permits of Quiñones, Adiós and Ampliación de Adiós. SdP is a brownfield target which previously hosted two potash mines operating from the 1960s until the late 1990s and which produced nearly 500,000 tonnes of potash per annum. The Company believes that there is potential for potash in new, unmined areas in the SdP area.

In the fourth quarter of 2018, the Company was advised that the second three-year extension applications for the Adiós and Quiñones permits had been rejected by the Government of Navarra’s mining department due to insufficient completion of committed exploration activities. The Company appealed the decision in 2019, and no resolution has been received to date. In the fourth quarter of 2020, the second three-year extension application for the Ampliación de Adiós permit was similarly rejected and also appealed by the Company. Based on Spanish legal advice, the absence of a resolution is not considered indicative of the merits of the appeals nor expected to have a material adverse effect on the Company.

In line with the above, no drilling activity has been carried out on either of these permits since 2019.



# Geoalcali Foundation

The Geoalcali Foundation is a not-for-profit Spanish foundation, funded exclusively by the Company's wholly owned subsidiary, Geoalcali. Established in September 2014, the Foundation was created to contribute to the socioeconomic development of the communities in which the Company operates, with particular focus on Comunidad Muga.

## Projects

Since its inception, the Foundation has supported approximately 200 projects in collaboration with municipal authorities, social associations, foundations, and scientific and agricultural organizations. Its activities are organized around four pillars—Education, Social Integration, Sustainable Communities, and Environmental Commitment—and have received recognition from the local community, including awards for exemplary sustainable practices.

# Corporate

## Board and Management

On 9 May 2025, Highfield announced the resignation of Mr. Ignacio Salazar as CEO and Managing Director. Mr. Salazar joined the Group in 2020 and the Highfield Board in 2021 and contributed to advancing the Muga Project. The Company wishes him well for his future endeavors.

As part of a broader strategic realignment to strengthen leadership capabilities as the Company advances the construction and development of the Muga potash project, Mr. Carles Alemán, previously Head of Plant Construction & HSE for the Muga Project, was appointed as CEO (Geoalcali Director General) to lead the Group's local operations and government engagement in Spain on 16 May 2025. Mr. Alemán has over three decades of international leadership experience in the chemical and mining industries, with prior senior roles at BASF, CIBA-GEIGY, Pymag-Curtin, and as President of ICL Iberia. Mr. Alemán was appointed as a Director of the Company and joined the Highfield Board on 23 September 2025.

Also, on 16 May 2025 Mr. Olivier Vadillo, the Company's Head of Marketing and Investor Relations, was appointed to the newly created position of Head of Corporate Strategy and Business Development. With over 15 years of international experience in strategic consultancy and commodity markets, Mr. Vadillo is responsible for the Company's global corporate strategy and stakeholder engagement

Non-Executive Director, Mr. Roger Davey, resigned from the Board on 21 March 2025 after close to seven years of service. Mr. Davey served on the Audit, Business Risk and Compliance Committee as well as the Remuneration and Nomination Committee and demonstrated commitment and dedication to his roles, making valuable contributions derived from his extensive professional experience.

Non-Executive Director, Mr. Luke Anderson, resigned from the Board on 23 September 2025 after two years of service to take up a full-time executive position in another organization. Mr. Anderson was a highly valued member of the Board and its Audit, Business Risk and Compliance Committee.

# Annual Review of Ore Reserves and Mineral Resources

In accordance with ASX Listing Rule 5, the Company has performed an annual review of all JORC-compliant Ore Reserves and Mineral Resources as at 31 December 2025. Rounding differences may occur.

## Muga–Vipasca Project

A maiden Ore Reserve statement for the Muga Project was produced as part of the Definitive Feasibility Study as released to the ASX on 30 March 2015.

An updated Ore Reserve statement for the Muga Project was produced as at December 2018 and released to the ASX on 22 January 2019. The data in this study was considered by the Company to remain accurate as at 31 December 2019 and 31 December 2020.

On 23 November 2021, the Company released to the ASX an updated Ore Reserve statement which included both the Muga and Vipasca projects. The updated Ore Reserve was audited by SRK Consulting (UK) Ltd (“SRK”) with an effective date 31 October 2021 and was used as the basis for the updated Feasibility Study released on 8 December 2021. The Company considers this Ore Reserve estimate which is presented below in terms of future plant feed, to remain accurate as at 31 December 2025.

Table 1: Muga-Vipasca Ore Reserves Summary

	31 December 2025		31 December 2024		31 December 2023	
	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)
Proved	45.3	10.5%	45.3	10.5%	45.3	10.5%
Probable	59.0	10.0%	59.0	10.0%	59.0	10.0%
<b>Total Proved &amp; Probable</b>	<b>104.3</b>	<b>10.2%</b>	<b>104.3</b>	<b>10.2%</b>	<b>104.3</b>	<b>10.2%</b>

Additional notes to consider for the purposes of the Ore Reserves statement are as follows:

1. The Ore Reserve statement has an effective date 31 October 2021. SRK has not been requested by the Company to update this estimate since this time as the Company considers there have been no material changes that would impact on this.
2. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.
3. The Concession is wholly owned by and exploration is operated by Geocali S.L.U., the wholly owned Spanish subsidiary of Highfield Resources.
4. The standard adopted in respect of the reporting of the Ore Reserve for the Project, following the completion of required technical studies, is the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).
5. As at the effective date of the estimate, SRK and the Company reasonably expect the Muga deposit to be amenable to a variety of underground mining methods for the shallow and inclined potash seams. The Ore Reserve is reported at an 8% K<sub>2</sub>O cut-off which is based on potash price assumptions, metallurgical recovery assumptions from initial testwork, mining costs, processing costs, general and administrative (G&A) costs, and other factors.

6. The Ore Reserve is reported in wet tonnes with a low moisture content of 0.8%.

Highfield released an updated JORC-compliant Mineral Resource Estimate (“MRE”) for the Muga project to the ASX on 10 October 2018 that was deemed accurate for the year ended 31 December 2019.

On 30 March 2021, an updated MRE for the combined Muga-Vipasca Project, accurate as at 31 August 2020, was released to the ASX. This MRE, which is inclusive of all Ore Reserves shown above in Table 1, is presented below in Table 2 and was also audited by SRK as at the effective date 31 August 2020. The Company believes this remains accurate as at 31 December 2025.

Table 2: Muga-Vipasca Mineral Resources Summary

	31 December 2025		31 December 2024		31 December 2023	
	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)
Measured	103.2	12.3%	103.2	12.3%	103.2	12.3%
Indicated	134.1	11.7%	134.1	11.7%	134.1	11.7%
<b>Total Measured &amp; Indicated</b>	<b>237.3</b>	<b>12.0%</b>	<b>237.3</b>	<b>12.0%</b>	<b>237.3</b>	<b>12.0%</b>
Inferred	44.9	10.8%	44.9	10.8%	44.9	10.8%
<b>Total</b>	<b>282.2</b>	<b>11.8%</b>	<b>282.2</b>	<b>11.8%</b>	<b>282.2</b>	<b>11.8%</b>

Additional notes to consider for the purposes of the Mineral Resources statement are as follows:

1. The Mineral Resource statement has an effective date 31 August 2020. SRK has not been requested by the Company to update this estimate since this time as the Company considers there have been no material changes that would impact on this.
2. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.
3. Reported above a cut-off grade of 8% K<sub>2</sub>O and a minimum mining thickness (where horizons will be mined separately) of 1.5m.

## Sierra del Perdón Project

Highfield released a maiden MRE for the Sierra del Perdón Project to the ASX on 7 April 2015. The Company considers this MRE to remain accurate as at 31 December 2025.

Table 3: Sierra del Perdón Mineral Resources Summary

	31 December 2025		31 December 2024		31 December 2023	
	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)
Measured	-	-	-	-	-	-
Indicated	41.8	10.7%	41.8	10.7%	41.8	10.7%
<b>Total Measured &amp; Indicated</b>	<b>41.8</b>	<b>10.7%</b>	<b>41.8</b>	<b>10.7%</b>	<b>41.8</b>	<b>10.7%</b>
Inferred	40.3	10.5%	40.3	10.5%	40.3	10.5%
<b>Total</b>	<b>82.1</b>	<b>10.6%</b>	<b>82.1</b>	<b>10.6%</b>	<b>82.1</b>	<b>10.6%</b>

## Pintanos Project

Highfield released a maiden MRE for the Pintanos Project to the ASX on 20 November 2013. During the year ended 30 June 2017, two drill holes were completed at the Pintanos Project (see the Company's ASX Quarterly Activities Report released on 24 April 2017). The results of both holes were unfavourable compared with the former block model which informed the maiden MRE released on 20 November 2013 and therefore adversely impacted the tonnage available to be classified as inferred resources. As a result, a revised MRE was prepared and reported in the ASX Additional Information section of the Company's annual report for the year ended 30 June 2017, as summarised in Table 4 below. The Company continues to believe the exploration potential for Pintanos remains strong and will continue exploration of the project.

The Company considers this MRE to remain accurate as at 31 December 2025.

Table 4: Pintanos Mineral Resources Summary

	31 December 2025		31 December 2024		31 December 2023	
	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)
Measured	-	-	-	-	-	-
Indicated	-	-	-	-	-	-
<b>Total Measured &amp; Indicated</b>	-	-	-	-	-	-
Inferred	70.7	11.9%	70.7	11.9%	70.7	11.9%
<b>Total</b>	<b>70.7</b>	<b>11.9%</b>	<b>70.7</b>	<b>11.9%</b>	<b>70.7</b>	<b>11.9%</b>

## Summary

The annual summary of Highfield's total Ore Reserves and Mineral Resources is shown below.

Table 5: Highfield Total Ore Reserves Summary (Muga-Vipasca Project only)

	31 December 2025		31 December 2024		31 December 2023	
	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)
Proved	45.3	10.5%	45.3	10.5%	45.3	10.5%
Probable	59.0	10.0%	59.0	10.0%	59.0	10.0%
<b>Total Proved &amp; Probable</b>	<b>104.3</b>	<b>10.2%</b>	<b>104.3</b>	<b>10.2%</b>	<b>104.3</b>	<b>10.2%</b>

The MRE includes all Ore Reserves shown above in Table 5.

Table 6: Highfield Total Mineral Resources Summary (Muga-Vipasca, Sierra del Perdón and Pintanos Projects)

	31 December 2025		31 December 2024		31 December 2023	
	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)	Tonnes (Mt)	Grade K <sub>2</sub> O (%)
Measured	103.2	12.3%	103.2	12.3%	103.2	12.3%
Indicated	175.9	11.5%	175.9	11.5%	175.9	11.5%
<b>Total Measured &amp; Indicated</b>	<b>279.1</b>	<b>11.8%</b>	<b>279.1</b>	<b>11.8%</b>	<b>279.1</b>	<b>11.8%</b>
Inferred	155.9	11.2%	155.9	11.2%	155.9	11.2%
<b>Total</b>	<b>435.0</b>	<b>11.6%</b>	<b>435.0</b>	<b>11.6%</b>	<b>435.0</b>	<b>11.6%</b>

# Corporate Governance – Resource and Reserve Estimation and Reporting

Due to the nature, stage and size of the Company's existing operations, the Company has historically concluded that there would be insufficient efficiencies or additional governance benefits gained by establishing a separate mineral resources and ore reserves committee responsible for reviewing and monitoring the Company's processes for deriving and reporting mineral resource and ore reserve estimates and for ensuring that the appropriate internal controls are applied to such estimates. However, the establishment of such a committee, at an appropriate time, remains under consideration. In the interim, the Company continues to ensure that all drill results and Mineral Resource calculations are validated by a competent senior geologist and are reviewed and verified independently by a qualified person.

## Significant Changes in the State of Affairs

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group.

## Significant Events After the Reporting Date

On 17 March 2026, the Company received gross proceeds of \$2.1 million, \$1.9 million net of transaction costs, equivalent to 210 notes, from the noteholders who subscribed under the funding agreement announced on 14 October 2025, pursuant to which the Company had entered into a binding term sheet with the same Tranche 1 and 2 lenders for an additional investment of A\$10 million in the form of new convertible notes, constituting Tranche 3. As at the date of this report, total proceeds received amount to \$5.1 million.

# Likely Developments and Expected Results of Operations

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial periods, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

# Environmental Regulations and Performance

The operations of the Company are presently subject to Environmental Regulation under the laws of the Commonwealth of Australia and of Spain in respect to its exploration activities and aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

There have been no material breaches during the period covered by this report.

# Indemnification and Insurance of Directors and Officers

## Indemnification

The Company has agreed to indemnify all the current Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of entities in the Group to the extent permitted by the Corporations Act 2001 except where the loss or liability arises out of conduct involving a lack of good faith or willful acts of negligence.

The Company entered into insurance policies in respect of Directors' and Officers' Liability Insurance contracts for current Directors and officers of the Company and of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

## Insurance Premiums

The Company has paid insurance premiums in respect of Directors' and officers' liability and legal expenses insurance contracts for current directors, officers, and senior executives of the Company and its controlled entities. The total amount of the Directors' and Officers' insurance premiums paid has not been disclosed due to confidentiality reasons.

# Directors' Meetings

The numbers of meetings of Directors and Committees held during the year ended 31 December 2025 and the number of meetings attended by each Director was as follows:

Director	Board Meetings		Remuneration and Nomination Committee		Audit, Business Risk and Compliance Committee	
	Held	Attended	Held	Attended	Held	Attended
Paul Harris	49	48	4	4#	4	4
Ignacio Salazar (resigned 9 May 2025)	26	25	2	2#	1	1#
Carles Alemán (joined the Board on 23 September 2025)	4	4	1	1#	1	1*
Pauline Carr	49	47	4	4	4	4
Roger Davey (resigned 21 March 2025)	7	6	2	2	1	1
Luke Anderson (resigned 23 September 2025)	45	44	3	3	3	3

# Attendance at meeting by invitation.

\* Committee member since November 2025

## Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

## Corporate Governance

Highfield is committed to conducting its business in a transparent, accountable, and responsible manner. The Board of Directors is dedicated to maintaining robust corporate governance practices that are appropriate to the Group's size, complexity, and stage of development, which support long-term performance and sustainability while protecting and enhancing shareholder value. The Directors recognise the importance of high standards of corporate behaviour and accountability and support the principles of sound corporate governance.

In this regard, the Group complies with the majority of the recommendations of the Australian Securities Exchange ("ASX") Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The Group's corporate governance policies, code of conduct, and Board and committee charters are publicly available on its website at [highfieldresources.com.au/corporate-governance](http://highfieldresources.com.au/corporate-governance).

For personal use only

# Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Highfield with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included at page 87 of the annual report.

There were no non-audit services provided by the Company's auditor, Price Waterhouse Cooper (PwC) Ltd., or associated entities.

## Audited Remuneration Report

This report, which forms part of the Directors' report, details the remuneration arrangements in place for the Group's key management personnel ("KMP") for the year ended 31 December 2025. KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Group. This also includes any director (whether executive or otherwise) of the Group.

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

### Details of Directors and Other Key Management Personnel

The following individuals held their positions and were KMP for the whole year, unless stated otherwise:

#### Non-executive Directors

	Position held
Paul Harris	Independent Non-Executive Chairman
Pauline Carr	Independent Non-Executive Director
Roger Davey	Independent Non-Executive Director (resigned 21 March 2025)
Luke Anderson	Non-Executive Director (resigned 23 September 2025)

#### Executives

Ignacio Salazar	Former CEO and Managing Director (resigned 9 May 2025)
Carles Alemán	Executive Director (appointed 23 September 2025)
Javier Aguado	CFO

### Remuneration Policy

The Group's remuneration policy is established by the Remuneration and Nomination Committee and is embedded in the Code of Business Conduct and Ethics.

The remuneration policy sets out the broad principles that will be used to structure the remuneration for NEDs and executives, namely:

- align with shareholder and business objectives and expectations;
- attract and retain suitably qualified and experienced people;
- provide a level and composition of remuneration that is reasonable, fair and aligned to market;
- encourage Directors and executives to pursue the long-term growth and success of the Group, balanced against the need to also achieve critical short term business objectives;
- align corporate and individual performance;
- be internally consistent;
- be transparent with performance goals and the measurement of performance against those goals; and
- align with regional and industry standards and regulatory requirements.

When determining remuneration, the Board takes into account the Group's financial position and performance.

The Board is responsible for setting and reviewing the remuneration arrangements for Directors and senior executives reporting to the CEO. As part of its corporate governance framework, the Board has adopted an independent Remuneration and Nomination Committee Charter, which oversees the Group's remuneration and nomination responsibilities and related governance, and supports the development of the Group's Remuneration Framework and Remuneration Policy.

## Remuneration Principles

The Company and its controlled entities seek to ensure that total employee remuneration remains competitive within the relevant market. To support this objective, the Remuneration and Nomination Committee typically conducts a market benchmarking assessment of executive roles at least once every three years, to confirm that the Group's remuneration arrangements continue to align with those of its industry peer group.

## Use of Remuneration Consultants

The Board and the Remuneration and Nomination Committee occasionally engage independent remuneration consultants to ensure that fees and payments for KMP and senior executives are appropriate and aligned with market standards. Engagement of such consultants is governed by the Remuneration and Nomination Committee Charter, which establishes protocols and restrictions for interactions between management and consultants to minimise the risk of any potential conflict of interest and/or undue influence occurring and to ensure compliance with the Corporations Act 2001.

The advice and recommendations of consultants are used by the Board and the Committee as a guide in formulating remuneration and policy. Decisions are made by the Board after its own consideration of the issues but having regard to any recommendations from the Committee and consultants.

During the year, the Group did not engage any remuneration consultants (31 December 2024: \$12,000).

## Review of KMP Remuneration

A review of the KMP remuneration is undertaken by the Board each year with the assistance of the Remuneration and Nomination Committee and as required, external remuneration consultants to ensure that:

- reward levels are fair and responsible in accordance with the market;
- the Group's rewards are competitive, performance-based that properly attract, retain, and motivate; and
- incentives provide fair reward in line with the Company and individual performance to deliver on long-term strategic objectives.

When performing the remuneration review, the Board considers:

- the Company's remuneration policy and practices;
- relevant market benchmarks;
- the skills and experience required of each role in order to grade positions accurately and attract high calibre people; and
- strategy, business plans, the Company's financial position and budgets.

## Remuneration of Non-Executive Directors ("NEDs")

The Group's policy is to remunerate NEDs at market rates for comparable companies for time, duties and responsibilities.

With the exception of the Chairman, NEDs receive a fixed fee remuneration consisting of an annual base Board fee with additional fees for any committee positions they hold. The Chairman receives a fixed annual fee with no additional amounts payable for Committee membership. From time to time and in accordance with the Constitution the Board may also award non-recurring extra exertion amounts to non-executive Directors where it determines such payments are warranted.

NED remuneration is reviewed periodically by the Remuneration and Nomination Committee. There have been no changes to Directors' fees since 2018.

Details of NED remuneration during the year are shown below.

Fees	Board Chair per annum \$	Committee Chair per annum \$	Member per annum \$
Board of Directors	120,000	-	60,000
Remuneration and Nomination Committee	-	18,000	9,000
Audit, Business Risk and Compliance Committee	-	18,000	9,000

All NEDs (including the Chair) are entitled to be reimbursed for travelling and other expenses properly incurred by them in attending any meeting or otherwise in connection with the business or affairs of the Company.

In addition to fixed fee remuneration, the Board may propose that shareholder approval be sought for the issue of share options to Directors when it determines this to be appropriate.

A NED's aggregate fee pool limit of \$1,000,000 per annum was approved by the shareholders at the Annual General Meeting ("AGM") held on 24 May 2018.

## Remuneration of other KMP and Senior Executives

The Company's Remuneration Framework relating to other KMP and Senior Executives is set out in the table below.

Fixed Remuneration	At-risk Remuneration	
	Short Term Incentive ("STI")	Long Term Incentive ("LTI")
<p>Base remuneration that reflects the job size, role, responsibilities, and professional competence of each executive, according to their knowledge, experience and accountabilities and considering external market relativities.</p> <p>The pay of executives is reviewed on promotion.</p> <p>There is no guaranteed pay increase included in any executive's contract.</p>	<p>The STI represents a variable, cash-based incentive designed to reward high performance against challenging, clearly defined, realistic and measurable objectives linked to the Group's annual business objectives measured by KPI targets that are set to encourage superior performance.</p> <p>The Board has the flexibility to pay the STI in shares if it deems this is a more appropriate mechanism as befits the Company's circumstances at different junctures in time.</p> <p>The STI opportunity is up to 75% of fixed remuneration for the CEO and up to 50% for other KMP and senior executives.</p>	<p>The equity component of the at-risk reward aligns the interest of employees to the long-term objectives of the Group and its shareholders. It is also designed to foster employee retention.</p> <p>The LTI opportunity for executives is up to 75% of fixed remuneration for the CEO and up to 50% for other KMP and senior executives.</p> <p>The LTI plan is being reassessed and is currently on-hold.</p>

The mix of fixed and at-risk remuneration varies depending on the role and level of executive. Compared with other employees, senior positions have a greater proportion of at-risk remuneration and have a higher proportion of their at-risk remuneration assessed on Company performance KPIs.

The STI component included in an executive's remuneration package represents a meaningful "at risk" variable performance payment. The payment will be "at risk" in that it will only be payable if a set of clearly defined and measurable performance metrics or KPIs have been met in the applicable performance period.

In addition to fixed and at-risk remuneration, share options may be issued to KMPs at the commencement of their employment, where the Board determines this to be appropriate.

### Key Performance Indicators ("KPI") for Short Term Incentives ("STI")

KPIs are objective, measurable metrics used to assess the Group's performance against its strategic and operational objectives. The Group's KPIs are developed by the Executive team, reviewed by the Remuneration and Nomination Committee, and approved by the Board. In establishing KPIs, the Board ensures that they are measurable, transparent, and achievable, are structured to motivate and incentivise strong performance, and are aligned with the Company's short-term objectives and the creation of shareholder value. KPIs generally include measures relating to safety and wellbeing, as well as key project milestones for the Muga project, including (but not limited to) permitting, funding, construction readiness, construction, and project delivery.

The KPIs for the year ended 31 December 2025 will be assessed in accordance with the parameters set out in the Remuneration Policy section above.

The aggregate score achieved against the Group's KPIs determines the overall size of the STI bonus pool available for allocation to participants. Individual performance is assessed through tailored plans reflecting each senior executive's level of responsibility, which form the basis for determining individual STI outcomes. Notwithstanding this, the Board retains discretion in determining STI payments for executive KMP.

## Summary Group KPI Performance

The STI corporate and strategic KPIs for FY25 covered the following areas:

- Safety, Health, Environmental and Community
- Permits
- Financing
- Preparation for Construction
- Sales and Marketing
- Investor engagement

The approving authority for any STI awarded and payout is the Board of Highfield Resources Limited. As at the date of this report no STI for FY25 had been approved or awarded by the Board.

## Short Term Incentive Award

The remuneration of the CEO and CFO for the financial year included cash performance pay in respect of the attainment of Group and individual STI KPIs set by the Board.

The STI awards are linked to the achievement of specified KPIs during the relevant year. The 2025 STI has not yet been considered or approved by the Board and as such no STI for the 12 months ended 31 December has been awarded as at the date of this report.

An estimate of the cost of a potential STI for the year ended 31 December 2025 (should the Board determine that one is awarded) is included as accrual in the financial statements for the year ended 31 December 2025.

## Long Term Incentive Award

The LTI awards are designed to support long-term shareholder value creation and to promote the retention of senior executives. Under the Highfield Resources Limited LTI Plan, awards are granted in the form of share options at no cost, with no associated dividend or voting rights. Upon vesting and subsequent exercise, each option converts into one ordinary share in the Company.

Vesting of the options is primarily subject to continued employment conditions. Except for any options granted to the Board Chair and a non-executive Director upon appointment, all outstanding options vest in equal instalments over a three-year period, assessed at the end of each vesting year. Employee retention has been identified as one of the key success factors for the project and hence its use as a vesting condition.

Feature	Description
Structure	<p>The total value of options granted is based on a percentage of fixed remuneration. This percentage is up to 75% for the CEO, up to 50% for other KMP and senior executives and up to 20% for other employees.</p> <p>The number of options granted is obtained by dividing the total value by the fair value per option determined by using the binomial method (which is derived from the Black-Scholes option pricing model but is considered more suitable for companies which do not pay dividends). The final figures are then assessed by the CEO and put forward to the Remuneration Committee for its review and recommendation to the Board.</p>
Option type	American options that can be exercised anytime between vesting and expiry.
Vesting conditions	Vesting conditions are primarily linked to the awardee continuity as employee of the Company on the last day of each vesting period.

Feature	Description
Performance hurdle	The performance hurdle is represented by the premium that must be achieved before options are in the money.
Exercise price	In order to provide an incentive linked to the longer-term performance of the Company relative to the market, the exercise price of options is set at a premium to the share price at the start of the year, as represented by the volume weighted average price ("VWAP") of the preceding month of December.  The premium for options granted under this scheme is 25%. However, due to changes in the share price between this VWAP and that at the grant date, the actual premium may be greater or less than 25%.
Termination	Options lapse if not exercised before the option expiry.  Options are forfeited if a vesting condition is not met.  Options are cancelled if the employee forgoes the option.

The LTI Plan is presently on-hold and is being re-assessed. No offers were made to staff under the LTI Plan in 2025.

## Details of Remuneration

Details of the nature and amount of each element of the remuneration of each Director and other key management personnel of the Group for the year ended 31 December 2025 are as below:

Year ended 31 December 2025	Base Salary	Fees	STI Awards <sup>1</sup>	Other Benefits <sup>2</sup>	Total	Share-Based Payments <sup>3</sup>	Performance related
	\$	\$	\$	\$	\$	\$	%
<b>Non-executive Directors</b>							
Paul Harris	-	164,000 <sup>6</sup>	-	-	164,000	-	-
Pauline Carr	-	96,000	-	-	96,000	-	-
Roger Davey (resigned 21 March 2025)	-	17,550	-	-	17,550	-	-
Luke Anderson (resigned 23 September 2025)	-	56,767	-	-	56,767	-	-
<b>Executives</b>							
Ignacio Salazar (CEO and MD) (resigned 9 May 2025)	327,130	-	-	3,753	330,883	-	-
Carlos Alemán (Executive Director and Geoalcali CEO) (KMP from 16 May 2025) <sup>4</sup>	217,760	-	26,357 <sup>1</sup>	10,311	254,428	5,936 <sup>5</sup>	13%
Javier Aguado (CFO)	153,389	-	7,769 <sup>1</sup>	8,307	169,465	4,452	7%
	<b>698,279</b>	<b>334,317</b>	<b>34,126</b>	<b>22,371</b>	<b>1,089,093</b>	<b>10,388</b>	<b>10%</b>

<sup>1</sup> The employees' STI relates to the accrued performance pay for services provided during 2025 which has not yet been reviewed or approved by the Board.

<sup>2</sup> Benefits include housing allowance and life and health insurance, which are provided by the Company to some employees in Spain.

<sup>3</sup> Share based payments are non-cash remuneration. The value is an estimate based on statistical calculations of the probability that the share price increases above the exercise price (which was calculated at a 25% premium at the grant date). In order to realise the potential value of any options awarded which are in the money, the option holder must first exercise the options by paying the exercise price in cash and can only realise any potential financial gain by selling the resultant shares. The sale of any shares must be in accordance with the Company's share trading policy.

<sup>4</sup> Mr. Alemán became a KMP when he commenced as CEO of the Company's wholly owned Spanish subsidiary, Geoalcali, S.L.U on 16 May 2025, As such his remuneration covers the period from 16 May 2025 to 31 December 2025. Mr. Alemán was appointed a Director of Highfield Resources Limited on 23 September 2025. As an executive he is not paid Director's fees.

<sup>5</sup> Mr. Alemán holds options granted under the Company's 2023 Long-Term Incentive Plan. A total of 360,000 options were awarded in three equal tranches of 120,000 options each. These tranches vest on 31 December 2023, 2024, and 2025, respectively, and have corresponding expiry dates of 31 December 2026, 2027, and 2028. The exercise price for all options is \$0.79 per share.

<sup>6</sup> Amount is inclusive of extra exertion payments totaling \$44,000 paid to Mr. Harris in 2025 in recognition of his substantially higher workload in the period following the resignation and departure of the former CEO and work associated with business development transactions during Q3 2025.

During the year, from March 2025 onwards, management and staff of the Company participated in a partial furlough scheme reducing their working hours and salaries by 20%. The furlough arrangements remain in place as at the date of this report.

Details of remuneration for the year ended 31 December 2024 are shown below:

Year ended 31 December 2024	Base		STI	Other	Total	Share- Based	Performance
	Salary	Fees	Awards <sup>1</sup>	Benefits <sup>2</sup>		Payments <sup>3</sup>	related
	\$	\$	\$	\$	\$	\$	%
<b>Non-executive Directors</b>							
Paul Harris	-	120,000	-	-	120,000	-	-
Pauline Carr	-	96,000	-	-	96,000	-	-
Roger Davey	-	78,000	-	-	78,000	-	-
Luke Anderson	-	78,000	-	-	78,000	23,000	29%
<b>Executives</b>							
Ignacio Salazar (CEO and MD)	796,790	-	433,854 <sup>1</sup>	5,130	1,235,774	- <sup>4</sup>	35%
Javier Aguado (CFO)	143,918	-	70,580 <sup>1</sup>	6,413	220,911	14,437	38%
	<b>940,708</b>	<b>372,000</b>	<b>504,434</b>	<b>11,543</b>	<b>1,828,685</b>	<b>37,437</b>	<b>34%</b>

<sup>1</sup> The employees' STI relates to an accrual for the 2024 financial year. The Board determined that the 2024 STI award be paid when the Company has a positive funding event which meets the Board's criteria.

<sup>2</sup> Benefits relate to health insurance allowances which are provided by the Company to some employees in Spain.

<sup>3</sup> Share based payments are non-cash remuneration. The value is an estimate based on statistical calculations of the probability that the share price increases above the exercise price (which was calculated at a 25% premium at the grant date). In order to realise the potential value of any options awarded which are in the money, the option holder must first exercise the options by paying the exercise price in cash and can only realise any potential financial gain by selling the resultant shares. The sale of any shares must be in accordance with the Company's share trading policy.

<sup>4</sup> In addition to that disclosed above, on 13 December 2024, Mr. Salazar renounced on a voluntary basis 1,759,530 options corresponding to tranche 2 and 3 of the LTI 2023 plan. These are treated as a cancellation of options and require an acceleration of remaining expense through the consolidated income statement and included as part of total remuneration. The annual expense including the acceleration of cancelled options was \$132,232.

## Shareholdings of Directors and Other Key Management Personnel

No shares were granted as remuneration during the year ended 31 December 2025.

The number of shares in the Company held by Directors and other key management personnel of the Group, including their personally related parties, is set out below.

Year ended 31 December 2025	Balance at the start of the period	Share Purchase Plan acquisition	On-market acquisition	Other changes during the period <sup>1</sup>	Balance at the end of the period or date of cessation
<b>Non-executive Directors</b>					
Paul Harris	-	-	-	-	-
Pauline Carr	78,829	-	-	-	78,829
Roger Davey (resigned 21 March 2025)	9,251	-	-	(9,251)	-
Luke Anderson (resigned 23 September 2025)	529,293	-	-	(529,293)	-
<b>Executives</b>					
Ignacio Salazar (CEO and MD) (resigned 9 May 2025)	239,700	-	-	(239,700)	-
Carles Alemán (Executive Director and Geocalci CEO) (commenced as KMP on 16 May 2025)	-	-	-	-	-
Javier Aguado (CFO)	-	-	-	-	-

<sup>1</sup>Other changes during the period represent an adjustment to exclude options held by individuals that do not hold a KMP role at the year ended 31 December 2025.

All equity transactions with Directors and other key management personnel other than those arising from the grant of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

For personal use only

## Option Holdings of Directors and Other Key Management Personnel

The number of options over ordinary shares in the Company held by each Director and other key management personnel of the Group, including their personally related parties, is set out below:

Year ended 31 December 2025	Balance at the start of the period	Granted as compensation during the period	Expired during the period <sup>1</sup>	Exercised during the period	Forfeited during the period <sup>2</sup>	Balance at the end of the period or date of cessation	Exercisable	Not exercisable
<b>Non-executive Directors</b>								
Paul Harris	1,000,000	-	(1,000,000)	-	-	-	-	-
Pauline Carr	-	-	-	-	-	-	-	-
Roger Davey (resigned 21 March 2025)	-	-	-	-	-	-	-	-
Luke Anderson (resigned 23 September 2025)	1,000,000	-	-	-	-	1,000,000	1,000,000	-
<b>Executives</b>								
Ignacio Salazar (CEO and MD) (resigned 9 May 2025)	2,919,472	-	-	-	(2,919,472)	-	-	-
Carles Alemán (Executive Director and Geocalci CEO and MD) (commenced as KMP on 16 May 2025)	360,000	-	-	-	-	360,000	240,000	120,000 <sup>3</sup>
Javier Aguado (CFO)	475,606	-	(84,680)	-	-	390,926	300,926	90,000 <sup>3</sup>

<sup>1</sup> Options expired during the year were granted in:  
 June 2020 with an exercise price of \$0.81;  
 September 2021 with an exercise price of \$0.865;  
 June 2022 with an exercise price of \$0.94; and  
 June 2025 with an exercise price of \$1.07.

<sup>2</sup> Options forfeited represent options held by Mr. Salazar that were not exercised during the three months following his cessation of employment.

<sup>3</sup> The maximum value yet to vest on the options held by Mr. Alemán is \$5,939 and for those held by Mr. Aguado \$4,452.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Options granted as part of remuneration are generally valued using the binomial method (which is derived from the Black-Scholes option pricing model but is considered more suitable for companies which do not pay dividends) taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

Options granted under the Company's Employee Share Option Plan ("ESOP") carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 21.

## Transactions with Directors and Other Key Management Personnel

Transactions with Directors and other key management personnel were limited to remuneration, conducted at arm's length and on normal market terms. Apart from these remuneration-related transactions disclosed above, no other transactions with key management personnel occurred during the year ended 31 December 2025.

## KMP employment arrangements

The remuneration arrangements for KMP are formalised in employment agreements. These agreements provide for the payment of commencement options, fixed remuneration, performance related STI remuneration, other short-term benefits, and participation, where eligible, in the Company's Long Term Incentive Plan.

## Non-Executive Directors

On appointment to the Board, each Non-Executive Director enters into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the Director. The period of appointment is in accordance with the Company's Constitution and the Corporations Act 2001, including the provisions of the Constitution which relate to the rotation of Directors.

## Chief Executive Officer

Mr. Alemán is employed under an employment agreement with no fixed term. The employment relationship may be terminated on the grounds set out in the legal framework of Spain, subject to a 15-day notice period. Depending on the reason for a termination of his employment, Mr. Alemán is entitled to the severance benefits set by Spanish law, as applicable.

During the year ended 31 December 2025 Mr. Alemán's total fixed remuneration as a KMP was €122,572 (A\$217,760).

## Chief Financial Officer

Mr. Aguado is employed under an employment agreement which has no fixed term. The notice period is two months. Depending on the reason for a termination of his employment, Mr. Aguado is entitled to the severance benefits set by Spanish law, as applicable.

During the year ended 31 December 2025 Mr. Aguado's total fixed remuneration was €87,606 (A\$153,389).

## Loans to Directors and Other Key Management Personnel

There were no loans to Directors or other key management personnel during the year ended 31 December 2025 (year ended 31 December 2024: Nil).

## Voting and Comments Made at the Company's Last Annual General Meeting

The Company received 95.71% of votes in favour of its Remuneration Report for the financial year ended 31 December 2024 and received no specific feedback on its remuneration practices at the 2025 Annual General Meeting or throughout the period. The Company's Annual General Meeting was held on 30 May 2025.

## Performance Measured by Loss per Share and Share Price

The table below shows the performance of the Company measured by loss per share:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Loss per share (cents)	(14.01)	(4.75)	(3.11)	(1.58)	(1.96)
Share price (at period end)	\$0.04	\$0.23	\$0.33	\$0.58	\$0.90
Share price High for the reporting period	\$0.29	\$0.44	\$0.69	\$1.28	\$0.91
Share price Low for the reporting period	\$0.04	\$0.23	\$0.29	\$0.57	\$0.44

## End of Audited Remuneration Report

Signed on behalf of the Board in accordance with a resolution of the Directors.



Paul Harris

Independent Non-Executive Chairman

Adelaide, Australia

27 March 2026

# Financial Report

For personal use only



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
<b>Continuing operations</b>			
Interest received	24	80,062	169,396
Gain/(Loss) on foreign exchange		2,187,579	42,935
Listing and share registry expenses		(142,099)	(204,306)
Professional and consultants' fees	3	(4,042,545)	(4,685,661)
Director and employee costs		(3,238,067)	(3,498,501)
Share-based payments reversal/(expense)	21	314,239	(328,625)
Depreciation	9	(15,770)	(19,493)
Impairment – exploration	10	(1,551,835)	(910,848)
Gain/(Loss) on disposal of exploration and evaluation assets	10	(11,337,464)	-
Other expenses	22	(2,182,329)	(1,930,678)
Fair value on convertible note	13	128,245	8,468,461
Interest expense on convertible note	13	(4,717,536)	(15,951,077)
Other financial expenses	23	(45,278,538)	(385,681)
<b>Loss before income tax</b>		<b>(69,796,058)</b>	<b>(19,234,078)</b>
Income tax expense	5	-	-
<b>Net loss for the period</b>		<b>(69,796,058)</b>	<b>(19,234,078)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit and loss</b>			
Exchange differences on translation of foreign operations		9,360,656	4,348,953
<b>Other comprehensive income for the period net of tax</b>		<b>9,360,656</b>	<b>4,348,953</b>
<b>Total comprehensive loss for the period</b>		<b>(60,435,402)</b>	<b>(14,885,125)</b>
Loss per share			
Basic and diluted loss per share (cents)	6	(14.01)	(4.75)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

## Position as at 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	3,473,945	11,959,572
Other receivables	8	896,411	39,120,297
<b>Total Current Assets</b>		<b>4,370,356</b>	<b>51,079,869</b>
<b>Non-Current Assets</b>			
Other receivables	8	989,760	1,311,542
Property, plant and equipment	9	14,221,786	13,579,883
Deferred exploration and evaluation expenditure	10	148,131,954	155,102,389
<b>Total Non-Current Assets</b>		<b>163,343,500</b>	<b>169,993,814</b>
<b>Total Assets</b>		<b>167,713,856</b>	<b>221,073,683</b>
<b>Current Liabilities</b>			
Trade and other payables	11	24,266,147	18,638,568
Short-term bank debt	12	-	7,499,087
Loans and borrowings	13	45,630,476	40,386,901
Derivative financial liability	13	5,693,138	5,478,414
<b>Total Current Liabilities</b>		<b>75,589,761</b>	<b>72,002,970</b>
<b>Non-Current Liabilities</b>			
Other non-current liabilities	14	253,273	3,787,536
<b>Total Non-Current Liabilities</b>		<b>253,273</b>	<b>3,787,536</b>
<b>Total Liabilities</b>		<b>75,843,034</b>	<b>75,790,506</b>
<b>Net Assets</b>		<b>91,870,822</b>	<b>145,283,177</b>
<b>Equity</b>			
Issued capital	15	230,622,943	223,285,657
Reserves	16	48,043,437	38,997,020
Accumulated losses	17	(186,795,558)	(116,999,500)
<b>Total Equity</b>		<b>91,870,822</b>	<b>145,283,177</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Issued capital	Accumulated losses	Share-based payments reserve	Foreign currency translation reserve	Other reserves	Total
Year ended 31 December 2024	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2024</b>	<b>206,740,655</b>	<b>(97,765,422)</b>	<b>26,778,823</b>	<b>7,539,619</b>	<b>1,000</b>	<b>143,294,675</b>
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	(19,234,078)	-	-	-	(19,234,078)
Other comprehensive gain - foreign currency translation	-	-	-	4,348,953	-	4,348,953
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(19,234,078)</b>	<b>-</b>	<b>4,348,953</b>	<b>-</b>	<b>(14,885,125)</b>
<b>Transactions with owners in their capacity as owners</b>						
Conversion of options	-	-	-	-	-	-
Issue of securities	17,015,224	-	-	-	-	17,015,224
Exercised shares from share-based payment reserve	-	-	-	-	-	-
Cost of issue	(470,222)	-	-	-	-	(470,222)
Share-based payment	-	-	328,625	-	-	328,625
<b>Balance at 31 December 2024</b>	<b>223,285,657</b>	<b>(116,999,500)</b>	<b>27,107,448</b>	<b>11,888,572</b>	<b>1,000</b>	<b>145,283,177</b>
Year ended 31 December 2025	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2025</b>	<b>223,285,657</b>	<b>(116,999,500)</b>	<b>27,107,448</b>	<b>11,888,572</b>	<b>1,000</b>	<b>145,283,177</b>
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	(69,796,058)	-	-	-	(69,796,058)
Other comprehensive gain - foreign currency translation	-	-	-	9,360,656	-	9,360,656
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(69,796,058)</b>	<b>-</b>	<b>9,360,656</b>	<b>-</b>	<b>(60,435,402)</b>
<b>Transactions with owners in their capacity as owners</b>						
Conversion of options	-	-	-	-	-	-
Issue of securities	8,001,280	-	-	-	-	8,001,280
Exercised shares from share-based payment reserve	-	-	-	-	-	-
Cost of issue	(663,994)	-	-	-	-	(663,994)
Share-based payment	-	-	(314,239)	-	-	(314,239)
<b>Balance at 31 December 2025</b>	<b>230,622,943</b>	<b>(186,795,558)</b>	<b>26,793,209</b>	<b>21,249,228</b>	<b>1,000</b>	<b>91,870,822</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees including GST/VAT		(9,351,621)	(9,673,143)
Interest (paid)/received		97,888	89,461
Other receipts including GST/VAT received		636,522	777,750
<b>Net cash used in operating activities</b>	<b>7</b>	<b>(8,617,211)</b>	<b>(8,805,932)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		-	(108,738)
Proceeds from sale of exploration and evaluation assets		2,089,805	-
Reimbursements from suppliers		1,158,238	-
Payments for exploration and evaluation expenditure		(6,099,290)	(5,146,088)
<b>Net cash used in investing activities</b>		<b>(2,851,247)</b>	<b>(5,254,826)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of securities		8,001,281	17,015,224
Payments for share issue costs		(125,804)	(472,515)
Payments of project finance fees		(8,249,329)	(12,619,942)
Proceeds from convertible note		3,060,000	7,574,218
<b>Net cash provided by financing activities</b>		<b>2,686,148</b>	<b>11,496,985</b>
Net (decrease)/ increase in cash and cash equivalents		(8,782,311)	(2,563,773)
Cash and cash equivalents at the beginning of the period		11,959,572	14,083,844
Effect of exchange rate fluctuations on cash		296,684	439,501
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>3,473,945</b>	<b>11,959,572</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

## 1. Corporate Information

The financial report of Highfield Resources Limited (“Highfield Resources”, “Highfield” or “the Company”) for the year ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors on 26 March 2026.

Highfield is a company limited by shares domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors’ Report.

## 2. Summary of Material Accounting Policies

### a) Basis of Preparation and Compliance Statement

The principal accounting policies adopted in the preparation of the financial statements are set out in the notes to the accounts. These policies have been consistently applied to all the financial years presented unless otherwise stated. Accounting policies that are determined to be immaterial are not included in the financial statements.

These general-purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The financial report also complies with International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (“IASB”).

Highfield Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared on a historical cost basis except for, where applicable, the revaluation of financial liabilities at fair value through profit and loss and derivative financial instruments.

### b) Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities including the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 December 2025 the Group recorded a loss before income tax of \$69.8 million (2024: loss of \$19.2 million), which includes a non-cash impairment of \$45.1 million (refer to note 23), net cash outflows from operating activities of \$8.6 million (2024: \$8.8 million) and was in a net current liability position of \$71.2 million as at 31 December 2025 (2024: \$20.9 million). Net assets as at 31 December 2025 were \$91.9 million (2024: \$145.3 million) and cash and cash equivalents of \$3.5 million (2024: \$12.0 million). Although the Group had a positive cash balance at year end, it has no cash generating assets currently in operation.

Based on current cash flow forecasts, the Group will require additional funding to meet its obligations as they fall due. The Group has demonstrated its ability to obtain funding when required, having raised proceeds of \$24 million from equity issuances and \$37 million from convertible note issuances over the past two years, totaling \$61 million in funding.

The majority of current liabilities relate to convertible notes on issue (2,958) with a carrying value of \$51.3 million as at 31 December 2025 (2024: \$45.8 million). The first and second tranches were originally due to mature by 31 August 2025 or earlier upon termination of the China Minmetals Corp transaction. In September 2025, a standstill agreement was entered into, under which noteholders agreed not to take enforcement action until at least 31 October 2025. In October 2025, the Group secured additional funding (\$10 million, part of which is conditional on the noteholders' consent to draw down if the appeal regarding the Goyo permit matter is admitted by the Spanish Supreme Court) through a third issuance of convertible notes, with a maturity date of December 2026. The binding Term Sheet provided that the terms applicable to the third tranche, including the interest rate, maturity date, conversion price, undertakings and events of default, would also apply to the options under the first and second tranches. These events indicate that EMR, as the principal noteholder, is supportive and is not seeking immediate repayment, and that further extensions, refinancing or standstill arrangements may be agreed should the Group be unable to repay the notes at maturity.

Additionally, the Group has, throughout the reporting period, sought and obtained repayment relief from its creditors as required, including from its major financial creditor, Macquarie Specialised Asset Services ("MSAS"), in respect of operating equipment lease obligations. Repayments have been deferred until at least 30 September 2026 under a Forbearance Agreement, which will be revisited if required as the maturity date approaches. Based on current cash flow forecasts, and without the ongoing support of the Group's major creditors, the Group would not have sufficient funds to meet these deferred obligations or to maintain the ongoing viability of the Muga Project in Spain.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors are of the view that sufficient funding can be obtained through a combination of the following:

- Continued support from key suppliers and service providers: The Group has an established track record of obtaining ongoing support from its major vendors, including the deferral of payment terms where required, and continues to engage constructively with these parties to ensure continuity of critical services.
- Continued support from noteholders: The Group's major noteholders have demonstrated ongoing support through amendments to maturity dates, standstill arrangements and participation in additional funding rounds. All existing convertible notes are now aligned to a maturity date of December 2026, consistent with the most recent tranche.
- Access to additional funding or strategic transactions: As a listed entity the Company has the ability to raise additional funding through equity issuances or to pursue a strategic value realisation transaction to meet planned expenditure and commitments as they fall due.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

### c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ("the Group") at 31 December 2025 and at 31 December 2024 in the comparative period.

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

In preparing the consolidated financial statements, all intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred.

#### **d) Foreign Currency Translation**

##### **Functional and presentational currency**

These Group's consolidated financial statements are presented in Australian dollars which is the parent's entity functional and presentation currency. The functional currency for each of the Group's entities is the currency of the primary economic environment in which that entity operates, being Australian dollars for the Australian entities, including Highfield Resources Limited, and Euros for the Spanish subsidiary.

##### **Foreign transactions and operations**

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. Income statement items for each entity are translated from the functional currency into Australian dollars at average rates of exchange where the average is a reasonable approximation of rates prevailing on the transaction date. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

#### **e) Operating Segments**

For management's purposes, the Group is organised into one main operating segment, which involves the exploration and development of potash mines in Spain. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

#### **f) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the period in which they are incurred to the extent that they are expected to be recouped through the successful development of the area, or alternatively, by its sale or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, otherwise costs are expensed.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an

allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs to the extent they are related directly to operational activities in a particular area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Exploration and evaluation assets are assessed for impairment annually and, in any case, when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous periods.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Where an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

#### **g) Property, Plant & Equipment**

Plant and equipment, including mechanical, electrical and computer equipment as well as furniture, fixtures, and fittings, is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items and bring them to the location and condition necessary for operation.

Depreciation is calculated over the depreciable amount, which is the cost of the asset, on a straight-line basis to write off the net cost of each asset over either its expected useful life of 3 to 10 years for furniture, computers and equipment, or the life of the mine for plant and equipment.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

#### **h) Income Tax**

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in the Consolidated Statement of Profit or Loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is recognised in the same component of equity or other comprehensive income as the underlying transaction, in accordance with AASB 112.

#### **i) Current Tax**

The current income tax charge is calculated based on the tax laws that have been enacted or substantively enacted at the end of the reporting period in the jurisdictions where the Company and its subsidiaries operate and generate taxable income.

Management assesses positions taken in tax returns in situations where the application of tax law is subject to interpretation and recognises provisions where it is probable that additional taxes will be payable to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the tax authorities.

#### **j) Deferred Tax**

Deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts at the balance date. They are measured at the tax rates expected to apply when the asset is realised or the liability is settled, based on tax laws enacted or substantively enacted at the balance date, except for:

- i. initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and does not affect accounting or taxable profit; or
- ii. taxable temporary differences on investments in subsidiaries, associates, or joint ventures where reversal can be controlled and is unlikely in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available to utilise deductible temporary differences and unused tax losses. Carrying amounts are reassessed at each reporting date.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists and they relate to the same taxable entity and taxation authority.

#### **k) Goods and Services Tax ("GST") and Value Added Tax ("VAT")**

Revenues, expenses, and assets are recognised net of GST/VAT, except where the GST/VAT incurred is not recoverable from the taxation authority. In such cases, the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense in the period in which the expense is incurred or the asset is purchased.

Receivables and payables in the Consolidated Statement of Financial Position are presented inclusive of GST/VAT, where applicable.

Cash flows are presented on a gross basis in the Consolidated Statement of Cash Flows, except for the GST/VAT component of investing and financing activities that is recoverable from or payable to the taxation authority. These amounts are classified as operating cash flows.

#### **l) Impairment of Non-financial Assets**

Non-financial assets with an indefinite useful life, which are not subject to amortisation, are reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of the estimated future cash flows expected to be derived from the asset or the cash-generating unit ("CGU") to which the asset belongs, discounted using a pre-tax rate specific to the asset or CGU. Assets that do not generate cash inflows independently are grouped together to form a CGU.

Non-financial assets other than goodwill that have suffered an impairment loss are reviewed at each reporting date for any indication that the loss may no longer exist or may have decreased. If

such indications exist, the recoverable amount is reassessed and the impairment loss may be reversed, subject to AASB 136.

#### **m) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The carrying amount of cash and cash equivalents is considered to approximate their fair value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### **n) Current and Non-Current Classification**

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

##### **Current Assets**

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

##### **Current Liabilities**

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

#### **o) Trade and Other Payables**

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 45 days of recognition.

These amounts are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **p) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. No provision is recognised for future operating losses.

Provisions are measured at present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **Restoration Provision**

The Company has a legal obligation to dismantle and remove certain items of property, plant and equipment and to restore and rehabilitate the land on which they are situated.

A restoration provision is initially recognised during development and construction and subsequently reviewed at least annually. When first recognised, the present value of the estimated future cost of settling the rehabilitation and restoration obligations is capitalised as part of the cost of the related property, plant and equipment in accordance with AASB 116.

Over time, the liability is re-measured to reflect new disturbances, updated cost estimates, changes to the estimated lives of operations, new regulatory requirements, and revisions to discount rates. Changes to the rehabilitation liability are accounted for prospectively from the date of the change and added to or deducted from the related asset, subject to assessment of the recoverability of the asset.

Where discounting is applied, the unwinding of the discount is recognised in the Consolidated Statement of Profit or Loss as a finance cost (accretion expense). Costs are capitalised as part of the carrying amount of the related asset unless they relate to an operation from which no future economic benefits are expected, in which case they are expensed as incurred.

#### **q) Issued Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds received.

#### **r) Earnings/Loss Per Share**

The Company presents basic and diluted earnings/loss per share data for its ordinary shares in accordance with AASB 133.

Basic earnings/loss per share is calculated by dividing the net profit/loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings/loss per share is determined by adjusting the net profit/loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and Directors of the Group.

### s) Share-based Payments

The Company accounts for share-based payments in accordance with AASB 2 “Share-based Payment”. Transactions with employees, Directors, or service providers involving shares, rights over shares, or cash linked to the Company’s share price are measured at grant-date fair value and recognised over the vesting period.

#### Equity settled transactions

Under the Company’s Employee Share Option Plan (“ESOP”), employees, Directors, and individuals providing similar services may receive benefits in the form of shares or rights over shares in exchange for their services (“equity-settled transactions”).

The cost of equity-settled transactions is measured at the fair value at grant date, determined using the binomial model (derived from the Black-Scholes option pricing model), which is appropriate for companies that do not pay dividends. Fair value reflects the terms and conditions of the grant, with expected price volatility based on the historic volatility of the Company’s ASX-listed shares.

The cost of equity-settled transactions is recognised as an expense over the vesting period, with a corresponding increase in equity, ending on the date employees become fully entitled to the award (“vesting date”). The cumulative expense at each reporting date reflects (i) the proportion of the vesting period elapsed, and (ii) the best estimate of awards expected to vest, based on information available at balance date. Market performance conditions are incorporated in the fair value at grant date and are not subsequently adjusted.

If an award is cancelled during the vesting period, any unrecognised expense is recognised immediately. Forfeitures, due to unmet conditions, are accounted for in the grant-date fair value, and the expiry or lapsing of vested awards has no accounting impact.

The dilutive effect of outstanding options, if any, is reflected in the calculation of earnings/loss per share (Refer to note 6).

#### Cash-settled transactions

The Company may provide cash-settled share-based payments, where employees receive cash based on movements in the Company’s share price.

The cost is measured at grant date fair value using the binomial model, taking into account the terms of the award. This cost is recognised as an expense over the vesting period, with a corresponding liability. The liability is remeasured at each balance date, with changes in fair value recognised in profit or loss. The ultimate cost is the cash paid to settle the liability.

### t) Convertible Notes

Convertible notes are classified as a financial liability under AASB 9 “Financial Instruments” and AASB 132 “Financial Instruments: Presentation”, as they represent a contractual obligation that may be settled in the Company’s equity instruments. The notes comprise a host debt and an embedded conversion option. Conversion options assessed as derivatives are recognized separately from the host debt at fair value, with subsequent changes in fair value recognized in the Consolidated Statement of Profit or Loss.

The initial carrying amount of the host debt is the residual after separating the derivative. The host debt is subsequently measured at amortised cost using the effective interest method, while the embedded derivative is measured at fair value through profit or loss at each reporting date.

On conversion to ordinary shares, the carrying amounts of both the host debt and derivative are de-recognised and transferred to equity, with no gain or loss recognized.

## u) Critical Accounting Estimates and Judgements

The preparation of these financial statements requires management to make judgements, estimates, and assumptions regarding the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates are based on historical experience, knowledge of current events, and other factors considered relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period of the revision if they affect only that period, or in the period of the revision and future periods if they affect both current and future periods.

Areas involving a higher degree of judgement, complexity, or where assumptions and estimates are material to the financial statements include:

### **Exploration and evaluation expenditure in the current developing phase and transition to development**

Management exercises judgement in determining whether exploration and evaluation expenditure is likely to generate future economic benefits through development or sale, or whether activities have not yet reached a stage permitting a reasonable assessment of mineral reserves.

Estimating Joint Ore Reserves Committee (“JORC”) resources involves inherent uncertainty, which directly affects the timing of capitalisation of exploration and evaluation costs. Management must assess whether an economically viable extraction operation can be established, based on assumptions about future events and circumstances.

While the technical feasibility of the Muga Mine Project has been demonstrated by independent consultants, commercial feasibility remains contingent on the Company resolving the outstanding permitting matters associated with the Goyo concession and securing sufficient equity funding. As at the date of this report, these permits are subject to ongoing judicial and administrative processes, and their finalisation is required to fully progress the development of the Project.

### **Asset impairment**

The Group’s key assets, including exploration and evaluation assets and property, plant and equipment, are assessed for impairment whenever indicators suggest that their carrying amount may exceed their recoverable amount.

In accordance with paragraph 20 of AASB 6, the Company reviews capitalised Muga-related assets for indications of impairment. Additionally, AASB 136 “Impairment of Assets” is applied, whereby an impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount under circumstances that indicate it is not recoverable.

### **Convertible Note**

The Group separates the embedded derivative in its convertible notes and measures its initial fair value using the binomial method, which is derived from the Black-Scholes option pricing model and considered appropriate for entities that do not pay dividends, at the date the contract is signed. Subsequent fair value adjustments of the derivative are recognised in the Consolidated Statement of Profit or Loss.

Inputs to the binomial model are primarily observable market data, with certain unobservable inputs, such as volatility, incorporated where necessary.

**v) New and Amended Standards and Interpretations**

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Adoption of these standards and interpretations has not had a material impact on the Group's financial statements.

Accounting Standards and Interpretations that are not yet mandatory have not been adopted.

### 3. Professional and Consultants' Fees

	31 December 2025	31 December 2024
	\$	\$
<b>Professional and consultants' fees</b>		
Corporate advisory fees	(519,691)	(1,575,087)
Legal fees	(2,433,003)	(1,503,558)
Financial advisory fees	(929,388)	(1,465,614)
Other fees	(160,463)	(141,402)
	<b>(4,042,545)</b>	<b>(4,685,661)</b>

Total expenditure decreased compared with the previous year, reflecting the winding down of advisors and consultants associated with the cornerstone investment and the inter-conditional acquisition of the Southey Potash project in Saskatchewan, Canada, which did not proceed.

Legal costs increased during the year due to the new convertible notes agreement executed in the final quarter of 2025 and the engagement of legal counsel in Spain for corporate matters relating to Geocalci.

### 4. Auditors' Remuneration

	31 December 2025	31 December 2024
	\$	\$
The auditor of Highfield Resources Limited is PricewaterhouseCoopers Australia "PwC"		
Amounts received or due and receivable by the parent auditor for:		
- an audit or review of the financial report	(129,378)	(110,557)
- other services	-	-
Remuneration of other related entities of "PwC"		
Amounts received or due and receivable by the subsidiary auditor for:		
- an audit or review of the financial report	(31,085)	(30,845)
	<b>(160,463)</b>	<b>(141,402)</b>

### 5. Income Tax

#### (a) Income tax expense

	31 December 2025	31 December 2024
	\$	\$
Major component of tax expense for the period:		
Current tax	-	-
Deferred tax	-	-
	-	-

#### (b) Reconciliation of income tax expense prima facie tax payable

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the applicable tax rate prevailing in the countries in which the Group operates as follows:

Loss from continuing operations before income tax expense	(69,796,058)	(19,234,078)
Tax calculated at domestic tax rates applicable to profit/(losses) in the respective countries (Spain 25.0%, Australia 30.0%)	(13,933,790)	(2,618,634)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	9,420,623	(674,671)
Net income tax (loss)/benefit not brought to account	4,513,167	3,293,305
Difference in overseas tax rates	-	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

### (c) Deferred tax

	31 December 2025 \$	31 December 2024 \$
The following deferred tax balances have not been brought to account:		
<b>Net deferred tax asset not recognised</b>	<b>31,310,691</b>	<b>25,100,256</b>

### (d) Unused tax losses

<b>Unused tax losses for which no deferred tax asset has been recognised</b>	<b>84,115,035</b>	<b>72,756,187</b>
--	-------------------	-------------------

The benefit for tax losses will only be obtained if:

- the Company delivers future assessable income of a nature and of an amount sufficient to absorb tax losses;
- the Company continues to comply with the conditions for deductibility imposed by tax legislation; and there are
- no changes in tax legislation which adversely affect the Company in realising the benefit from the deductions for the losses.

## 6. Loss per Share

	31 December 2025 \$	31 December 2024 \$
Loss used in calculating basic and diluted loss per share	(69,796,058)	(19,234,078)
<b>Number of Shares</b>		
Weighted average number of ordinary shares used in calculating basic loss per share	498,018,164	404,920,465
<b>Effect of dilution:</b>		
Convertible Notes	-	-
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	498,018,164	404,920,465
<b>Basic and diluted loss per share (cents)</b>	<b>(14.01)</b>	<b>(4.75)</b>

The 2,958 convertible notes and 4,814,967 options outstanding at 31 December 2025 (31 December 2024: 2,652 and 12,136,037, respectively) are deemed non-dilutive in accordance with AASB 2 as they reduce the loss per share. These instruments could potentially dilute Basic Earnings per Share ("EPS") in the future.

## 7. Cash and Cash Equivalents

	31 December 2025	31 December 2024
	\$	\$
<b>Reconciliation of cash</b>		
Cash at bank	3,473,945	11,959,572
<b>Reconciliation of operating loss after tax to net cash flow from operations</b>		
Loss after tax	(69,796,058)	(19,234,078)
Non-cash and non-operating items in operating loss after tax:		
Share-based payments expense/(income)	(314,239)	328,625
Net loss/(gain) on foreign exchange	(2,187,579)	(42,935)
Depreciation	15,770	19,493
Accrued interests not received	17,827	(79,935)
Impairment of exploration assets	1,551,835	910,848
Loss on sale of exploration assets	11,337,464	-
Fair value on convertible note	(128,245)	7,482,61
Interest expense on convertible note	4,717,536	-
Other financial expenses - deferred expenses written off	45,278,538	-
Project costs	1,130,979	-
Change in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(767,218)	308,845
(Decrease)/Increase in trade and other payables	526,179	1,500,591
<b>Net cash used in operating activities</b>	<b>(8,617,211)</b>	<b>(8,805,932)</b>

## 8. Other Receivables

	31 December 2025	31 December 2024
	\$	\$
<b>Current</b>		
GST receivable	82,785	162,698
VAT receivable	82,554	196,239
Deposits	-	9,132
Other receivables	3,354	-
Prepaid expenses	727,718	38,752,228
	<b>896,411</b>	<b>39,120,297</b>
<b>Non-current</b>		
Guarantees	989,760	1,311,542
	<b>989,760</b>	<b>1,311,542</b>

GST/VAT receivable are non-interest bearing and generally receivable on terms between 30 and 45 days. They are neither past due nor impaired. The amount is fully collectible. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

Prepaid expenses as at the reporting date include amounts paid in advance for insurance programmes purchased by the Company. In the previous period, prepaid expenses primarily reflected transaction costs directly attributable to the formalisation of the Muga Project Finance Facility. Following the termination of this Facility, all previously capitalised transaction costs associated with the Muga Project financing were written off, resulting in the recognition of an impairment expense of \$45.1 million in the Consolidated Statement of Profit or Loss. Refer to note 23 for further information.

Guarantees represent amounts provided to third parties, mainly the restoration deposit handed over to the relevant Administrations to ensure the cost of dismantling and removing the mine gate construction and rehabilitate the land on which they are situated.

## 9. Property, Plant and Equipment

	31 December 2025 \$	31 December 2024 \$
Cost	14,973,733	14,261,956
Accumulated depreciation and impairment	(751,947)	(682,073)
Net carrying amount	14,221,786	13,579,883
<b>Movements in Property, Plant and Equipment</b>		
Opening balance	13,579,883	13,127,954
Additions	2,730	49,627
Net exchange differences on translation	654,943	421,795
Depreciation charge for the period	(15,770)	(19,493)
<b>Closing balance</b>	<b>14,221,786</b>	<b>13,579,883</b>

Property, Plant and Equipment include the initial construction works around the mine gate and the amounts of the Construction Tax payable to the Townhalls where the Project will be located.

## 10. Deferred Exploration and Evaluation Expenditure

	31 December 2025 \$	31 December 2024 \$
<b>Exploration and Evaluation phase - at cost</b>		
Opening balance	155,102,389	147,313,513
Exploration and evaluation expenditure incurred during the period	1,046,798	4,272,250
Disposal of exploration and evaluation assets during the period	(13,266,372)	-
Impairment of exploration assets	(1,551,835)	(910,848)
Net exchange differences on translation	6,800,974	4,427,474
<b>Closing balance</b>	<b>148,131,954</b>	<b>155,102,389</b>

Capitalised Exploration and Evaluation Expenditure relate exclusively to the Muga-Vipasca Project. The Company has capitalised these costs on the basis that it is expected to be recouped through future successful development and commercial exploitation (or alternatively sale) of the Muga-Vipasca Project.

During the year ended 31 December 2025, the Company sold certain plant equipment previously held in its warehouse. Consideration received on disposal was \$2.1 million, resulting in a loss on disposal of \$11.3 million, which has been recognised in the Consolidated Statement of Profit or Loss.

In the fourth quarter of 2024, the Company was informed of a procedural administrative matter raised by the Superior Court of Justice of Navarra ("TSJN") relating to the historical coordination between the Government of Navarra and the Spanish central government in connection with the approval of the Goyo concession (refer ASX announcement dated 27 October 2024, "Goyo Mining Concession Update").

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. The outcome will determine whether another judicial process will need to occur or whether an

administrative solution with the Spanish provincial administration can be pursued to resolve the matter. As at the date of this report, no decision had been made by the TS. The Company awaits the outcome of the appeal admission process and will apprise shareholders upon receipt of a decision or any material developments.

The Company's Goyo mining concession is currently subject to a legal challenge. Management has assessed the potential impact of this matter on the carrying value of the E&E assets in accordance with AASB 6 and AASB 136. Based on the current status of the legal proceedings and the stage of the asset, management has concluded that the legal challenge does not constitute an impairment trigger. The Company retains its rights to continue exploration activities and the recoverable amount of the E&E assets is expected to be at least equal to their carrying value. The matter is being closely monitored, and any developments that may affect the recoverable amount of the assets will be disclosed as required.

Exploration and evaluation assets are assessed for impairment if sufficient facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Any impairment loss is recognised through the Consolidated Statement of Profit or Loss. An impairment expense of \$1.5 million was recognised during the year ended 31 December 2025 (2024: \$910,848) in respect of certain mining equipment that remains unused in the books.

## 11. Trade and Other Payables

	31 December 2025 \$	31 December 2024 \$
Trade payables	11,588,333	10,929,910
Land expropriation payables	6,147,976	5,874,469
Accruals	6,529,838	1,834,189
	<b>24,266,147</b>	<b>18,638,568</b>

Trade payables, provisions and accruals are non-interest bearing and generally payable on terms between 30 and 45 days. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

A significant portion of trade payables relates to a construction tax totalling \$8.6 million which is payable to the Townhall of Sangüesa, only when construction commences.

The provision for land expropriation reflects payments agreed by the Company with property owners following the completion of the expropriation process.

Accruals primarily relate to amounts owed to Macquarie Specialised Asset Services Ltd. for the acquisition of mining equipment (\$4.9 million), which were previously recorded under Other Non-current Liabilities.

## 12. Short Term Bank Debt

	31 December 2025 \$	31 December 2024 \$
Commitment fees	-	7,499,087
	-	<b>7,499,087</b>

Short Term Bank Debt referred to the fees payable to the banks which participated in the Project financing for Muga.

The balance was reduced to nil during the year ended 31 December 2025 following the termination of the Muga Project Finance Facility, with no remaining obligations outstanding as at 31 December 2025.

### 13. Convertible Notes and Conversion Option

	31 December 2025 \$	31 December 2024 \$
<b>Current</b>		
Host debt component – Convertible note	45,630,476	40,386,901
Derivative financial liability – Conversion option	5,693,138	5,478,414
	<b>51,323,614</b>	<b>45,865,315</b>
<b>Interests and Fair Value valuation</b>		
Fair value on convertible note	128,245	8,468,461
Interest expense on convertible note	(4,717,536)	(15,951,077)
	<b>(4,589,291)</b>	<b>(7,482,616)</b>

On 22 May 2023, the Group entered into a Convertible Note agreement with EMR and Tectonic Investment Management. The agreement with a maturity date of 24 months consisted of the issuance of 1,938 notes (arrangement fee at 2% added to the original 1,900 notes instead of being paid in cash at inception) bearing an interest rate of 14% annually (Tranche 1). The interest will be paid in kind via addition to the convertible notes amount.

A further US\$6 million (A\$8.9 million) investment was secured in December 2023 in the form of 714 convertible notes (with a 2% arrangement fee added to the original 700 notes instead of being paid in cash at inception) issued on similar contractual terms to the previous issuance in May 2023 (Tranche 2) with the same strategic investors plus another one as lenders. Upon execution of Tranche 2 the conversion price of the Tranche 1 options was amended.

In 2025, EMR Capital, as controlling noteholder, extended the maturity of the existing convertible notes in connection with the then ongoing equity transaction, with repayment initially linked to the termination of the strategic transaction. When the transaction was officially terminated by the strategic investor (refer ASX announcement dated 16 September 2025 “Termination of Agreement with Yankuang”), EMR agreed to a standstill arrangement whereby the noteholders committed not to take any enforce action or instruct enforcement of any security interest of the Tranche 1 and 2 notes (“Existing Notes”) until at least 31 October 2025.

On 14 October 2025, the Company announced that it had entered into a binding term sheet with the same Tranche 1 and 2 lenders for an additional investment of A\$10 million in the form of new convertible notes (“New Notes”), corresponding to Tranche 3 (refer ASX announcement dated 14 October 2025 “Highfield secures \$10 million of financial support”). The new issuance contemplated amendments to the terms of the Existing Notes, including an extension of the maturity date, and, together with the New Notes, was intended to bring them into line with the terms of the Tranche 3 Notes. While drawdowns of up to A\$5.15 million are unconditional, any amount above this threshold is subject to the noteholders’ consent if the appeal regarding the Goyo permit matter is admitted by the Spanish Supreme Court.

As at the year ended 31 December 2025, proceeds amounting to \$3.06 million had been received, equivalent to 306 notes. As a result of this, a total of 2,958 notes were held by the lenders as at the date of this report with a maturity of 12 months after the date of issuance of the New Notes.

#### Convertible note accounting treatment

The Convertible Note has been determined to contain a host debt and a conversion option. Where borrowings include a conversion option, the portion of the proceeds that relate to the fair value of the conversion option are recognised as an embedded derivative. The embedded derivative is measured at fair value at initial recognition with the subsequent fair value revaluation impact flowing through profit and loss at each reporting period.

With respect to the host instrument, its initial value is the residual amount after separating the embedded derivative on the date the contract is entered into. For subsequent measurement, the host debt is measured at amortised cost using the effective interest method.

The binding term sheet dated 14 October 2025 resulted in the issue of new notes and the alignment of features of the previous notes. The notes continue to meet the definition of financial liabilities under AASB 132, as the Company does not have an unconditional right to avoid repaying principal and accrued interest in cash if conversion does not occur.

The amendments to the interest rate and maturity date are considered a substantial modification under AASB 9, which requires that a significantly changed financial liability be treated as extinguished and replaced with a new liability. As a result of this, the Company derecognised the original liabilities relating to Tranches 1 and 2 and recognised a new financial liability related to the three Tranches at fair value based on the revised contractual cash flows and a new effective interest rate. Any difference between the carrying amount of the original liability and the new liability was recognised in the Consolidated Statement of Profit or Loss, and the fair value of the conversion option was estimated using the Black–Scholes methodology.

For determining the new initial fair value of the conversion option, the binomial method (which is derived from the Black-Scholes option pricing model but is considered more suitable for companies which do not pay dividends) was used with the following assumptions:

- a) conversion option price of \$0.06;
- b) share price at inception of \$0.043;
- c) expected annualized volatility of 69%;
- d) convertible note term of 1 year; and
- e) a risk free interest rate of 4.0%.

## 14. Other Non-current Liabilities

	31 December 2025	31 December 2024
	\$	\$
Restoration provision	253,273	231,930
Other non-current liabilities	-	3,555,606
	<b>253,273</b>	<b>3,787,536</b>

The Company is legally obligated to dismantle and remove all installations constructed in the mining area and to restore and rehabilitate the land on which any constructed installations are situated. A provision has therefore been established which reflects the estimated rehabilitation and restoration costs existing at the reporting date, based on the site works undertaken as at the year ended 31 December 2025. The provision amount was discounted to present value using an appropriate discount rate and it is deemed to reflect the best estimate of the expenditure required to meet this obligation when the mine ceases operating.

Upon initial recognition of rehabilitation provisions, the corresponding cost is capitalised as part of the related asset and depreciated over its useful life. At each reporting date, the rehabilitation liability is reviewed and adjusted to reflect the current best estimate. Changes to the rehabilitation liability are added to or deducted from the related rehabilitation asset and amortised in a consistent way.

## 15. Issued Capital

### a) Issued and paid-up capital

	31 December 2025	31 December 2024
	\$	\$
Ordinary shares - Issued and fully paid	230,622,943	223,285,657

## b) Movements in ordinary shares on issue Ordinary shares

	31 December 2025		31 December 2024	
	Number of shares	\$	Number of shares	\$
Opening balance	449,109,874	223,285,657	392,183,733	206,740,655
Shares issued	24,967,169 <sup>1</sup>	8,001,280	56,926,141 <sup>2</sup>	17,015,224
Transaction costs on share issue	-	(663,994)	-	(470,222)
	<b>474,077,043</b>	<b>230,622,943</b>	<b>449,109,874</b>	<b>223,285,657</b>

### <sup>1</sup> December 2025

– 24,967,169 ordinary shares were issued during the year ended 31 December 2025 in consideration for the funds injected in early 2025 to complete the conditional component of the institutional placement commenced in September 2024.

### <sup>2</sup> December 2024

– 56,926,141 ordinary shares were issued during the year ended 31 December 2024 via an institutional placement and a subsequent Share Purchase Plan among eligible shareholders at \$0.2989 per new share. While the unconditional component of the placement was completed during 2024, the conditional component was finalised during January 2025.

## c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or proxy, at each meeting of the Company.

## d) Capital risk management

The Company manages its capital to safeguard its ability to continue as a going concern and ultimately to optimise returns to its shareholders and benefits for other stakeholders. The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

Refer to note 20 for further information on the Company's financial risk management policies.

## 16. Reserves

	31 December 2025	31 December 2024
	\$	\$
Share-based payments reserve	26,793,209	27,107,448
Foreign currency translation reserve	21,249,228	11,888,572
Other reserves	1,000	1,000
	48,043,437	38,997,020
<b>Movements in reserves</b>		
Share-based payments reserve		
Opening balance	27,107,448	26,778,823
Share-based payments expense	(314,239)	328,625
Options exercised	-	-
<b>Closing balance</b>	<b>26,793,209</b>	<b>27,107,448</b>

The share-based payments reserve is used to record the fair value of options provided to employees and executives as part of their remuneration and non-employees as part of their compensation for services.

Refer to note 21 for further details of share-based payment.

<i>Foreign currency translation reserve</i>		
Opening balance	11,888,572	7,539,619
Foreign currency translation difference	9,360,656	4,348,953
<b>Closing balance</b>	<b>21,249,228</b>	<b>11,888,572</b>

The foreign exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

<i>Other reserves</i>		
Opening balance	1,000	1,000
Issue of unlisted options	-	-
<b>Closing balance</b>	<b>1,000</b>	<b>1,000</b>

Other reserves are used to record the amount received on the issue of unlisted options.

## 17. Accumulated Losses

	31 December 2025	31 December 2024
	\$	\$
<b>Movements in accumulated losses were as follows</b>		
Opening balance	(116,999,500)	(97,765,722)
Loss for the period	(69,796,058)	(19,234,078)
<b>Closing balance</b>	<b>(186,795,558)</b>	<b>(116,999,500)</b>

## 18. Remuneration of Directors and Other Key Management Personnel

Details of the emoluments of the Directors and other key management personnel of the Company for the period are as follows:

	31 December 2025 \$	31 December 2024 \$
Short-term benefits	1,089,093	1,828,685
Share-based payments	10,388	169,669
<b>Total</b>	<b>1,099,481</b>	<b>1,998,354</b>

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

## 19. Related Party Disclosures

### Key management personnel

Please refer to note 18 Remuneration of Directors and Other Key Management Personnel.

### Subsidiaries

The consolidated financial statements include the financial statements of Highfield Resources Limited, and the subsidiaries listed below:

Name of Entity	Country of Incorporation	Equity holding	
		31 December 2025	31 December 2024
RCL Resources Limited	Australia	100%	100%
Geoalcali SLU	Spain	100%	100%

## 20. Financial Instruments and Financial Risk Management

The Group's activities expose it to a variety of financial risks including liquidity risk, interest rate risk, credit risk and foreign currency risk.

The Group's overall management of financial risk is aimed at ensuring net cash flows are sufficient to meet all its financial commitments and maintain the capacity to fund its exploration and evaluation activities, which primarily relate to the Muga-Vipasca Potash Project.

While the Board of Directors has overall responsibility for the establishment and oversight of the Risk Management Framework, management monitors and manages the financial risks relating to the operations of the Group through regular reviews of risk.

Highfield's material financial assets as at reporting date and liabilities consist of cash and cash equivalents, receivables (excluding net GST/VAT receivables), deposits and payables.

The following table presents the totals for each category of financial instruments, measured in accordance with AASB 9 "Financial Instruments":

	31 December 2025	31 December 2024
	\$	\$
Cash and cash equivalents	3,473,945	11,959,572
Deposits	-	9,132
Guarantees	989,760	1,311,542
	<b>4,463,705</b>	<b>13,280,246</b>

The Company has exposure to the following risks:

#### a) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due.

The Group's approach to managing liquidity is to regularly review its liquidity position, including production of regular cash flow forecasts to ensure that there is a clear and up-to-date view of the short-to-medium-term funding requirements and the sources of those funds. Alternatives for sourcing future capital needs include the issue of equity instruments, as well as debt financing. These alternatives are evaluated to determine the optimal mix of capital resources for capital needs.

The Group aims to maintain sufficient cash facilities to meet the operating requirements of the business and where appropriate investing excess funds in highly liquid short-term investments.

The responsibility for liquidity risk management rests with the Board of Directors.

The table below sets out the remaining contractual maturities of the Group's liquid financial liabilities, excluding convertible notes.

	31 December 2025	31 December 2024
	\$	\$
Three months or less	1,299,379	685,275
Three to 12 months	1,595,448	1,999,373
Between 12 months and 3 years	-	-
	<b>2,894,827</b>	<b>2,684,648</b>

At 31 December 2025, the Company holds sufficient liquid assets to satisfy its current financial obligations, other than obligations arising from convertible notes

#### Fair Values

All financial assets and liabilities recognised on the Consolidated Statement of Financial Position are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

#### b) Interest Rate Risk

The Group's exposure to interest rate risk primarily arises from its cash and cash equivalents, which earn interest at variable rates. All other financial assets and liabilities, in the form of receivables, deposits and payables are non-interest bearing.

The Group policy is to monitor the interest rate yield curve to six months out to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group manages this risk by investing in short term deposits where appropriate.

The entire balance of cash and cash equivalents for the Group is subject to interest rate risk. All other financial assets and liabilities, in the form of receivables, deposits and payables are non-interest bearing.

At 31 December 2025, the variable interest rate exposure of the Group was:

	31 December 2025	31 December 2024
<b>Interest bearing financial instrument</b>		
Cash at bank or at hand	3,473,945	11,959,572

The Company maintains the majority of its cash and cash equivalents in Euros and Australian dollars. For the year ending 31 December 2025, the interest earned on Euro balances amounted to €36,432, while the interest earned on Australian dollar balances was \$18,164. In the year ending December 31, 2024, the Company earned €49,363 and \$89,430, respectively due to favorable interest rate conditions.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

#### Interest rate sensitivity

The Company's interest rate sensitivity is determined by the amount of cash it holds in both Euros and Australian Dollars. The Australian dollar interest rate is currently positive at 0.65% whereas the Euro interest rate is at 1.5%.

The following sensitive analysis is based on the interest rate exposure existing at the reporting date and illustrates the outcome if the interest rates had increased or decreased by 75 basis points from the year end rates, with all other variables held constant, profit and loss and equity for the year would have increased (decreased) by the amount shown below. The analysis was performed on the same basis for the previous financial year.

	Effect on Post Tax Loss (\$)		Effect on Equity incl. accumulated losses (\$)	
	(Increase)/decrease		Increase/(decrease)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Increase 75 basis points	26,055	89,697	26,055	89,697
Decrease 75 basis points	(26,055)	(89,697)	(26,055)	(89,697)

#### c) Credit Risk Exposure

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's maximum credit exposure at the reporting date is the carrying amounts in the Consolidated Statement of Financial Position.

The Company holds financial instruments with credit worthy third parties. At 31 December 2025, 100% of the Company's cash and cash equivalents were held in financial institutions both in Australia and Spain with a rating from Fitch of BBB+ or above (long term). The Company had no past due or impaired debtors as at 31 December 2025.

#### d) Foreign Currency Risk

The Group completes certain transactions denominated in foreign currency and is exposed to foreign currency risk through exchange rate fluctuations. Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities in a currency other than the Group's functional currency.

Exchange rate exposures may be managed within approved policy parameters utilising forward foreign exchange contracts. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars were as follows:

	Liabilities (\$)		Assets (\$)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Euro	20,826,790	23,875,589	2,127,880	10,641,610
<b>Total</b>	<b>20,826,790</b>	<b>23,875,589</b>	<b>2,127,880</b>	<b>10,641,610</b>

The monetary assets and liabilities in the table above for the current period include the balances of the Company's Spanish subsidiary.

#### Foreign currency sensitivity analysis

The Company is exposed to Euro currency fluctuations. The following table details the Group's sensitivity to a 10% increase and decrease in the Euro against the Australian dollar on the above foreign currency denominated monetary assets and liabilities, expressed in Australian dollars.

	Euro Movement	
	Increase (\$)	Decrease (\$)
<b>31 December 2025</b>		
Profit or loss	-	-
Translation reserve	(2,070,657)	1,699,900
<b>31 December 2024</b>		
Profit or loss	-	-
Translation reserve	(1,470,444)	1,203,088

#### e) Fair Value

The carrying amounts of current receivables, convertible note and current payables are considered to be a reasonable approximation of their fair value.

#### Fair value hierarchy

Inputs used to measure the fair value of an asset or liability might be categorized within different levels of the fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement itself is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards in the table below:

Recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
At 31 December 2025					
Financial liabilities					
Derivative financial liability – Conversion Option	13	-	5,693,138	-	5,693,138
<b>Total financial liabilities</b>			<b>5,693,138</b>	<b>-</b>	<b>5,693,138</b>

Recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
At 31 December 2024					
Financial liabilities					
Derivative financial liability – Conversion Option	13	-	5,478,414	-	5,478,414
<b>Total financial liabilities</b>		-	<b>5,478,414</b>	-	<b>5,478,414</b>

There were no transfers between levels for recurring fair value measurements during the year.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include for the conversion option related to the derivative option pricing models (e.g. binomial method).

## 21. Share-Based Payments

Share-based payment transactions recognised as operational expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the period were as follows:

	31 December 2025	31 December 2024
	\$	\$
Options issued during the period	-	(23,000)
Options issued in prior periods	314,239	(305,625)
	<b>314,239</b>	<b>(328,625)</b>

The Company operates an equity incentive plan known as 'Highfield Resources Limited Employee Long Term Incentive Plan' ("ELTIP"). Subject to the attainment of vesting conditions participants in this plan may receive options. The objective of this plan is to assist in the recruitment, reward, retention, and motivation of employees.

The fair value at grant date of options granted during the period is determined using the binomial method and taking into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

No options were granted to employees in the financial year ended 31 December 2025 under the ELTIP plan.

However, 1,000,000 options exercisable at \$0.67 and expiring on 30 June 2027 were issued to one Director during the year ended 31 December 2024:

Grant Date	Expiry date	Exercise price	Number at start of the period	Granted during the period	Exercised during the period	Cancelled or Forfeited during the period	Number at end of the period	Exercisable at end of the period
14/06/2024	30/06/2027	\$0.67	-	1,000,000 <sup>1</sup>	-	-	1,000,000	1,000,000
				<b>1,000,000</b>	-	-	<b>1,000,000</b>	<b>1,000,000</b>

<sup>1</sup>Options granted to Non-Executive Director Mr. Luke Anderson as part of his commencement arrangements following approval by the Company's shareholders at the 2024 AGM. There are no service vesting or performance vesting conditions in respect of these options.

The model inputs for the options granted during the year ended 31 December 2024 were as follows:

- a) options were granted for no consideration;
- b) expected lives of the options range from 3.51 to 5.51 years;
- c) share price at grant date of \$0.335 (14 Jun 2024);
- d) expected volatility at 50%;
- e) expected dividend yield of Nil; and
- f) a risk free interest rate from 4.011%.

As at the date of this report there were 4,814,967 unissued ordinary shares under options owned by Group employees.

The details of the options on issue at the year ended on 31 December 2025 are as follows:

Number	Exercise Price\$	Expiry Date
706,278	\$0.865	31 December 2026
524,348	\$0.94	31 December 2026
686,668	\$0.79	31 December 2026
1,000,000	\$0.67	30 June 2027
524,341	\$0.94	31 December 2027
686,666	\$0.79	31 December 2027
686,666	\$0.79	31 December 2028
<b>4,814,967</b>		

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

The movement of the options during the year was as follows:

	31 December 2025		31 December 2024	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
<b>Opening balance</b>	<b>\$0.931</b>	<b>12,136,037</b>	<b>\$0.898</b>	<b>18,931,052</b>
Granted	-	-	\$0.670	1,000,000
Forfeited	\$0.823	(3,725,760)	\$0.885	(274,608)
Cancelled	-	-	\$0.790	(1,759,530)
Lapsed	\$0.920	(3,595,310)	\$0.822	(5,760,877)
	<b>\$1.023</b>	<b>4,814,967</b>	<b>\$0.931</b>	<b>12,136,037</b>
Vested and exercisable at year end	\$0.696	4,128,301	\$0.788	11,244,371

The weighted average remaining contractual life of options outstanding at end of period is 1.64 years.

## 22. Other Expenses

	31 December 2025	31 December 2024
	\$	\$
Advertising and promotion	(266,688)	(241,320)
Computer and software expenses	(84,539)	(122,912)
Subscriptions and memberships	-	(14,073)
Travel and accommodation	(153,907)	(291,132)
Investor relations	(231,380)	(209,511)
Project costs	(288,410)	-
Insurances	(712,515)	(662,677)
Rents	(279,555)	(215,033)
Other administration expenses	(165,335)	(174,020)
	<b>(2,182,329)</b>	<b>(1,930,678)</b>

## 23. Other Financial Expenses

	31 December 2025	31 December 2024
	\$	\$
<b>Impairment of transaction costs recorded as deferred costs</b>		
Banks' upfront fees	(12,801,057)	-
Banks' commitment fees	(24,309,811)	-
Agent fees	(697,391)	-
Legal fees	(6,201,891)	-
Financial adviser success fees	(1,112,139)	-
	<b>(45,122,289)</b>	-
<b>Financial expenses</b>		
Macquarie interest expense	(156,249)	(385,681)
	<b>(156,249)</b>	<b>(385,681)</b>
	<b>(45,278,538)</b>	<b>(385,681)</b>

Following the cancellation of the Senior Secured Project Finance Facility, costs that had been capitalised during the period in which the Facility was in place have been written off, resulting in the recognition of an impairment expense of \$45.1 million.

## 24. Geographic Segment Analysis

<b>(a) Net interest (paid)/received</b>	31 December 2025	31 December 2024
	\$	\$
Australia	18,210	89,430
Spain	61,852	79,966
	<b>80,062</b>	<b>169,396</b>
<b>(b) Non-current Assets</b>		
	31 December 2025	31 December 2024
	\$	\$
Australia	-	-
Spain	163,343,500	169,993,814

## 25. Events after the Reporting Period

On 17 March 2026, the Company received gross proceeds of \$2.1 million, \$1.9 million net of transaction costs, equivalent to 210 notes, from the noteholders who subscribed under the funding agreement announced on 14 October 2025, pursuant to which the Company had entered into a binding term sheet with the same Tranche 1 and 2 lenders for an additional investment of A\$10 million in the form of new convertible notes, constituting Tranche 3. As at the date of this report, total proceeds received amount to \$5.1 million.

## 26. Contingent Assets and Liabilities

There are no known contingent assets or liabilities as at 31 December 2025 (December 2024: Nil).

## 27. Dividends

No dividend was paid or declared by the Company in the year ended 31 December 2025 or the period since the end of the twelve months financial period and up to the date of this report.

The Directors do not recommend that any amount be paid by way of dividend for the year ended 31 December 2025.

## 28. Geoalcali Foundation

The Geoalcali Foundation is a Spanish not-for-profit foundation, funded by the Company's wholly owned subsidiary, Geoalcali. As part of the Company's engagement program, it was established in 2014 to support socioeconomic development in the communities where the Company operates, particularly Comunidad Muga. Since inception, it has supported approximately 200 well known projects across education, social integration, sustainable communities and environmental initiatives in collaboration with local authorities and community organisations.

## 29. Commitments

As at 31 December 2025, the Group had entered into a number of contracts for the development of its Muga Project in Spain.

The expected payments in relation to these contracts that were not required to be recognised as liabilities as at 31 December 2025 amounted to approximately \$148.9 million. Of this amount, \$56.5 million will become commitments once Notices to Proceed are issued to plant and mine equipment suppliers upon completion of the Muga financing. Unlike contracts with equipment suppliers, engineering services, as well as technical and other consultants, the contract related to the ramp construction totaling \$84.1 million is currently suspended and will only resume when adequate financing is secured. At this stage, the Company has the option to terminate all of these contracts at any time without incurring any termination fees.

### 30. Parent Entity Information

The following information relates to the parent entity, Highfield Resources Limited, at 31 December 2025 and for the year then ended.

The information presented here has been prepared using consistent accounting policies with those presented in note 2.

	31 December 2025 \$	31 December 2024 \$
Current assets	2,239,121	1,676,899
Non-current assets	224,422,550	217,957,957
<b>Total Assets</b>	<b>226,661,671</b>	<b>219,634,496</b>
Current liabilities	(54,762,971)	(48,127,380)
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>(54,762,971)</b>	<b>(48,127,380)</b>
<b>Net Assets</b>	<b>171,898,700</b>	<b>171,507,116</b>
Issued capital	230,622,943	223,285,657
Reserves	26,794,209	27,108,448
Accumulated losses	(85,518,452)	(78,886,989)
<b>Total Equity</b>	<b>171,898,700</b>	<b>171,507,116</b>

	31 December 2025 \$	31 December 2024 \$
Loss of the parent entity	(6,631,464)	(13,466,148)
Other comprehensive income for the period	-	-
<b>Total comprehensive loss of the parent entity</b>	<b>(6,631,464)</b>	<b>(13,466,148)</b>

# Consolidated Entity Disclosure Statement

for the year ended 31 December 2025

Entity name	Entity type	Place of incorporation	% of share capital	Australian resident	Foreign jurisdiction
KCL Resources Ltd.	Body corporate	Australia	100	Yes	n/a
Geocalci, S.L.U.	Body corporate	Spain	100	No	Spain

## Basis of Preparation

This Consolidated Entity Disclosure Statement (“CEDS”) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

## Determination of Tax Residency

Section 295 (3B)(a) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

a) Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

b) Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

For personal use only

# Directors' Declaration

In accordance with a resolution of the Directors of Highfield Resources Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes of Highfield Resources Limited for the year ended 31 December 2025 are in accordance with the Corporations Act 2001, including:
  - i. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - ii. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial year ended on that date,
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- c) the consolidated entity disclosure statement on page 85 is true and correct and the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2 a).

This declaration has been made after receiving the declaration by the Chief Executive Officer and the Chief Financial Officer required to be made in accordance with sections of 295A of the Corporations Act 2001 for the year ended 31 December 2025.



On behalf of the Board

Paul Harris

Independent Non-Executive Chairman

Adelaide, Australia

27 March 2026

For personal use only

# Auditor's Independence Declaration

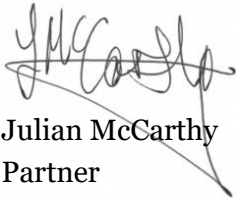
For personal use only



## Auditor's Independence Declaration

As lead auditor of Highfield Resources Limited's financial report for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.



Julian McCarthy  
Partner  
PricewaterhouseCoopers

Adelaide  
27 March 2026

PricewaterhouseCoopers, ABN 52 780 433 757  
Level 11, 70 Franklin Street, ADELAIDE SA 5000,  
GPO Box 418, ADELAIDE SA 5001  
T: +61 8 8218 7000, F: +61 8 8218 7999, [www.pwc.com.au](http://www.pwc.com.au)

# Independent Auditor's Report

For personal use only



## Independent auditor's report

To the members of Highfield Resources Limited

### Report on the audit of the financial report

#### Our opinion

In our opinion:

The accompanying financial report of Highfield Resources Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 31 December 2025; and
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757  
Level 11, 70 Franklin Street, ADELAIDE SA 5000,  
GPO Box 418, ADELAIDE SA 5001  
T: +61 8 8218 7000, F: +61 8 8218 7999, www.pwc.com.au



## **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Independence**

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## **Material uncertainty related to going concern**

We draw attention to Note 2(b) in the financial report, which describes the directors' assessment of the ability of the Group to continue as a going concern. The events or conditions as stated in Note 2(b) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Our audit approach**

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

For personal use only



## Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit, Business Risk and Compliance Committee.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of deferred exploration and evaluation expenditure</b> (Refer to note 2(f), note 2(u) and note 10)</p> <p>Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.</p> <p>To test this the Group performed an analysis of its Muga related capitalised assets to determine if there is any indication of impairment.</p> <p>Judgement is required in determining whether future economic benefits are likely either from future development or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.</p> <p>The impairment of deferred exploration and evaluation expenditure was considered a key audit matter given the financial significance of the balance on the consolidated statement of financial position and the significant judgements</p>	<p>We have performed the following procedures amongst others:</p> <ul style="list-style-type: none"> <li>• Evaluated the Group's assessment of whether there were any indicators of impairment, by performing the following procedures amongst others: <ul style="list-style-type: none"> <li>◦ Considered the latest available information relating to the Muga related capitalised assets through inquiries of management and the directors, and inspection of press releases.</li> <li>◦ Inquired of management and the directors as to whether there had been any changes to, and obtained evidence to support the Group's right of tenure to the projects. This included considering the status of licences, to assess whether the Group retained right of tenure in the near future.</li> <li>◦ Considered the latest available information regarding the economic viability of Muga related capitalised assets,</li> </ul> </li> </ul>

For personal use only



Key audit matter	How our audit addressed the key audit matter
required by the Group in determining whether future economic benefits are likely.	including comparing the NPV against the carrying value of the deferred exploration and evaluation expenditure. <ul style="list-style-type: none"> <li>• Evaluated the reasonableness of the disclosures against the requirements of Australian Accounting Standards.</li> </ul>

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2025, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes

For personal use only



our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf). This description forms part of our auditor's report.

## Report on the remuneration report

### Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2025.

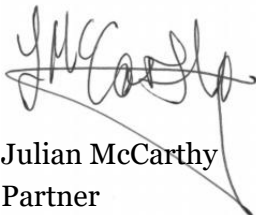
In our opinion, the remuneration report of Highfield Resources Limited for the year ended 31 December 2025 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PRICEWATERHOUSE COOPERS

PricewaterhouseCoopers



Julian McCarthy  
Partner

Adelaide  
27 March 2026

For personal use only

# ASX Additional Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current at 17 March 2026.

## Distribution of Shareholders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	252	108,554
1,001 - 5,000	552	1,627,701
5,001 - 10,000	426	3,477,985
10,001 - 100,000	951	37,282,681
100,001- and over	375	431,580,122
<b>TOTAL</b>	<b>2,556</b>	<b>474,077,043</b>

There were 1,456 holders of ordinary shares holding less than a marketable parcel.

## Top Twenty Shareholders

The names of the twenty largest holders of quoted equity securities are listed below

Name	Number of shares	%
POTASH (MUGA) INVESTMENT PTE LTD	64,038,875	13.51
BNP PARIBAS NOMINEES PTY LTD	34,836,566	7.35
POTASH (MUGA) & COPPER (PATAGONIA) HOLDINGS LTD	34,000,000	7.17
WWB INVESTMENTS PTY LTD	20,435,100	4.31
CITICORP NOMINEES PTY LTD	16,343,850	3.45
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	15,739,153	3.32
EMR CAPITAL GP 1 LTD	13,956,562	2.94
BNP PARIBAS NOMINEES PTY LTD	11,749,455	2.48
EMR CAPITAL GP III LTD	11,010,607	2.32
MR WARREN WILLIAM BROWN & MRS MARILYN HELENA BROWN <WWB INVESTMENTS P/L S/F>	8,684,900	1.83
ELEMENT AU SMSF PTY LTD	8,232,020	1.74
CARINYA INVESTMENTS (QLD) PTY LTD	8,218,511	1.73
DEREK CARTER & CARLSA CARTER <THE SALAMANCA SUPER FUND>	7,721,504	1.63
UBS NOMINEES PTY LTD	6,767,407	1.43
EMR CAPITAL GP LTD	6,000,000	1.27
MR WARREN WILLIAM BROWN & MRS MARILYN HELENA BROWN	5,500,000	1.16

MR DANIEL EDDINGTON & MRS JULIE EDDINGTON <DJ HOLDINGS>	3,782,000	0.80
MR MARC FERGUSON ROWE	3,394,658	0.72
MR CRAIG PETER BALL & MRS SUZANNE KATHERINE BALL <CPB SUPER FUND>	3,100,000	0.65
CELTIC CAPITAL PTE LTD	3,000,000	0.63
	<b>286,511,168</b>	<b>60.44</b>

## Substantial Shareholders

The names of substantial shareholders holding five per cent or more of voting rights in Highfield who have notified the Company in accordance with section 671B of the Corporations Act 2001 (Cth), and the details of their holding at the time of notification, are:

Title of class	Registered holder of securities	Identity of person or Group	Date of last notice	Number owned	Percentage of total voting rights <sup>2</sup>
Ordinary Shares	EMR Capital Investment Pte Ltd	EMR Capital Investment Pte Ltd <sup>1</sup>	17/01/2025	129,006,044	27.21%
Ordinary Shares	Various holders	WWB Investments Pty Ltd <sup>1</sup>	08/11/2017	34,620,000	7.30%

<sup>1</sup> Being the Group listed and its associated entities.

<sup>2</sup> The percentages quoted are based on the total voting rights conferred by ordinary shares in the Company as at 17 March 2026 of 474,077,043.

## Substantial Unlisted Options

Class	Number	Holders with more than 20%
Options over ordinary shares exercisable at \$0.94 on or before 31 December 2026	524,348	Olivier Vadillo 126,610 options;
Options over ordinary shares exercisable at \$0.94 on or before 31 December 2026	524,341	Olivier Vadillo 126,609 options;
Options over ordinary shares exercisable at \$0.67 on or before 30 June 2027	1,000,000	Luke Anderson 1,000,000 options;

## On-Market Buy Back

There is no current on-market buy back.

## Voting Rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

## Use of Proceeds

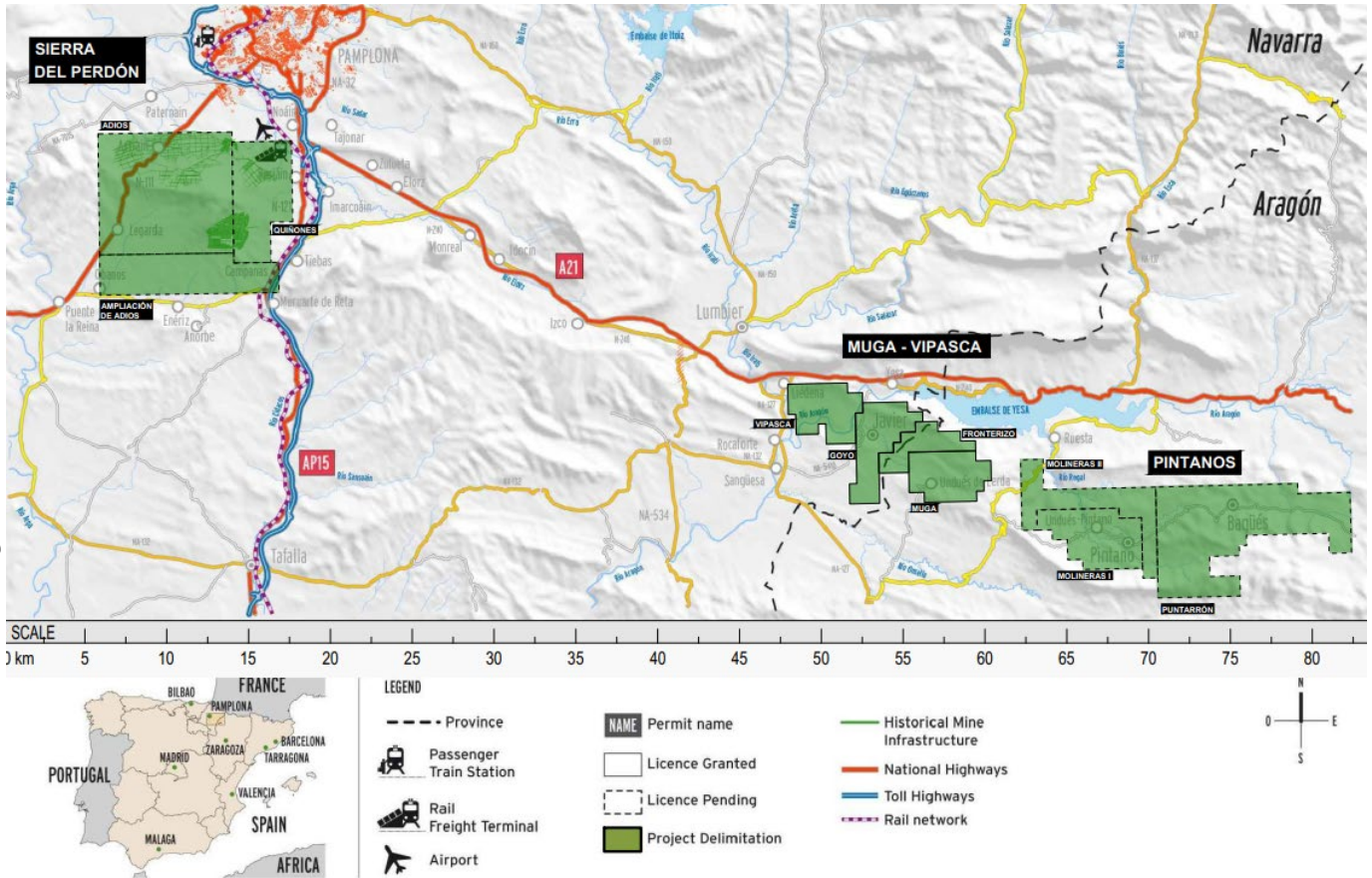
In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the year ended 31 December 2025.

## Schedule of Tenements

Highfield's Spanish potash projects are located in the Ebro potash producing basin in Northern Spain. Details are shown in the table below.

Project	Region	Permit Name	PermitType	Applied	Granted	Ref#	Area Km <sup>2</sup>	Holder	Structure	
<b>Investigation</b>										
Sierra del Perdón	Navarra	Quiñones	Investigation	19/07/2011	Application in process	35760	22.88	Geoalcali SLU	100%	
Sierra del Perdón	Navarra	Adiós	Investigation	19/07/2011	Application in process	35770	59.40	Geoalcali SLU	100%	
Sierra del Perdón	Navarra	Ampliación de Adiós	Investigation	26/10/2012	Application in process	35880	40.90	Geoalcali SLU	100%	
							<b>123.18</b>			
Muga-Vipasca	Navarra	Vipasca (area under concession progress)	Investigation	06/11/2013	11/12/2014	35900	14.10	Geoalcali SLU	100%	
							<b>14.10</b>			
Pintanos	Aragón	Molineras 1	Investigation	20/11/2012	06/03/2014	3495/10	18.20	Geoalcali SLU	100%	
Pintanos	Aragón	Molineras 2	Investigation	19/02/2013	Application in process	3495/20	16.80	Geoalcali SLU	100%	
Pintanos	Aragón	Puntarrón	Investigation	08/05/2014	Application in process	3510	30.24	Geoalcali SLU	100%	
							<b>65.24</b>			
							<b>Total</b>	<b>202.52</b>		
<b>Concession</b>										
Muga	Navarra	Goyo	Concession	19/07/2011	01/07/2021	35780	15.30	Geoalcali SLU	100%	
Muga	Aragón	Fronterizo	Concession	21/06/2012	01/07/2021	3502	9.00	Geoalcali SLU	100%	
Muga	Aragón	Muga	Concession	29/05/2013	01/07/2021	3500	14.40	Geoalcali SLU	100%	
							<b>38.70</b>			
							<b>Total</b>	<b>38.70</b>		

Project locations are shown in the following map\*.



*\*The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

## Important Information and Disclaimers

### Forward Looking Statements

This report 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 judgement as of the date hereof based on information currently available. The Company does not assume any obligation to update any forward-looking statement.

### Competent Person Statement for Muga-Vipasca Potash Project

The Review of Operations contained within this annual report was prepared by Mr. Carles Alemán, Executive Director of 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 review of the Life of Mine (“LOM”), as reported by the Company, 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

For personal use only

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 full-time 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 Competent Person (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 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.

#### **Competent Person Statement for Mineral Resources and Exploration Targets other than the Muga-Vipasca Potash Project**

The Review of Operations contained within this annual report was prepared by Mr. Ignacio Salazar, CEO and Managing Director of Highfield Resources. The information in this report that relates to Mineral Resources, Exploration Results and Exploration Targets is based on information prepared by Mr. José Antonio Zuazo Osinaga, Technical Director of CRN, S.A. and Mr. Manuel Jesús Gonzalez Roldan, Geologist of CRN, S.A.

Mr. José Antonio Zuazo Osinaga is a licensed professional geologist in Spain and is a registered member of the European Federation of Geologists, an accredited organisation to which Competent Persons (CP) under JORC 2012 Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, Ore Reserves or Exploration Targets through the ASX.

Mr. José Antonio Zuazo Osinaga 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 CP as defined in the 2012 edition of the JORC Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr. José Antonio Zuazo Osinaga and Mr. Manuel Jesús Gonzalez Roldán consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

For personal use only



For personal use only

[highfieldresources.com.au](http://highfieldresources.com.au)