

Yankuang Energy receives FIRB approval

Highfield Resources Limited (ASX: HFR) (**Highfield** or the **Company**) is pleased to announce that Yankuang Energy Group Co., Ltd (**Yankuang Energy**) has received a statement of no objection from Australia's Foreign Investment Review Board (**FIRB**) in relation to Yankuang Energy's proposed subscription for up to US\$376 million worth of ordinary shares in Highfield at A\$0.50 per share (**FIRB Approval**).

Yankuang Energy's subscription forms an integral part of the 'Cornerstone Placement' and 'Southey Vend-In' (see the Company's ASX release dated 23 September 2024) through which Highfield seeks to:

- raise a total of US\$220 million in equity capital from Yankuang Energy and other strategic investors; and
- acquire the Southey potash project in Saskatchewan, Canada from Yankuang Energy by way of the direct or indirect acquisition of 100% of the shares in Yancoal Canada Resources (a subsidiary of Yankuang Energy) (**Yancoal Canada**) for consideration valued at US\$286 million (subject to certain completion adjustments),

(collectively, the **Transaction**), and the receipt of FIRB Approval satisfies a key condition precedent under the Transaction documentation (refer to the Company's ASX release dated 23 September 2024).

Ignacio Salazar, the CEO and Managing Director of Highfield, said:

"This positive result from FIRB is another major step in getting the deal to Completion. FIRB's timely approval is the result of presenting a solid application. The Company is making significant progress with regards to the other jurisdictional approvals for the Transaction."

-ENDS-

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

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ASX ANNOUNCEMENT



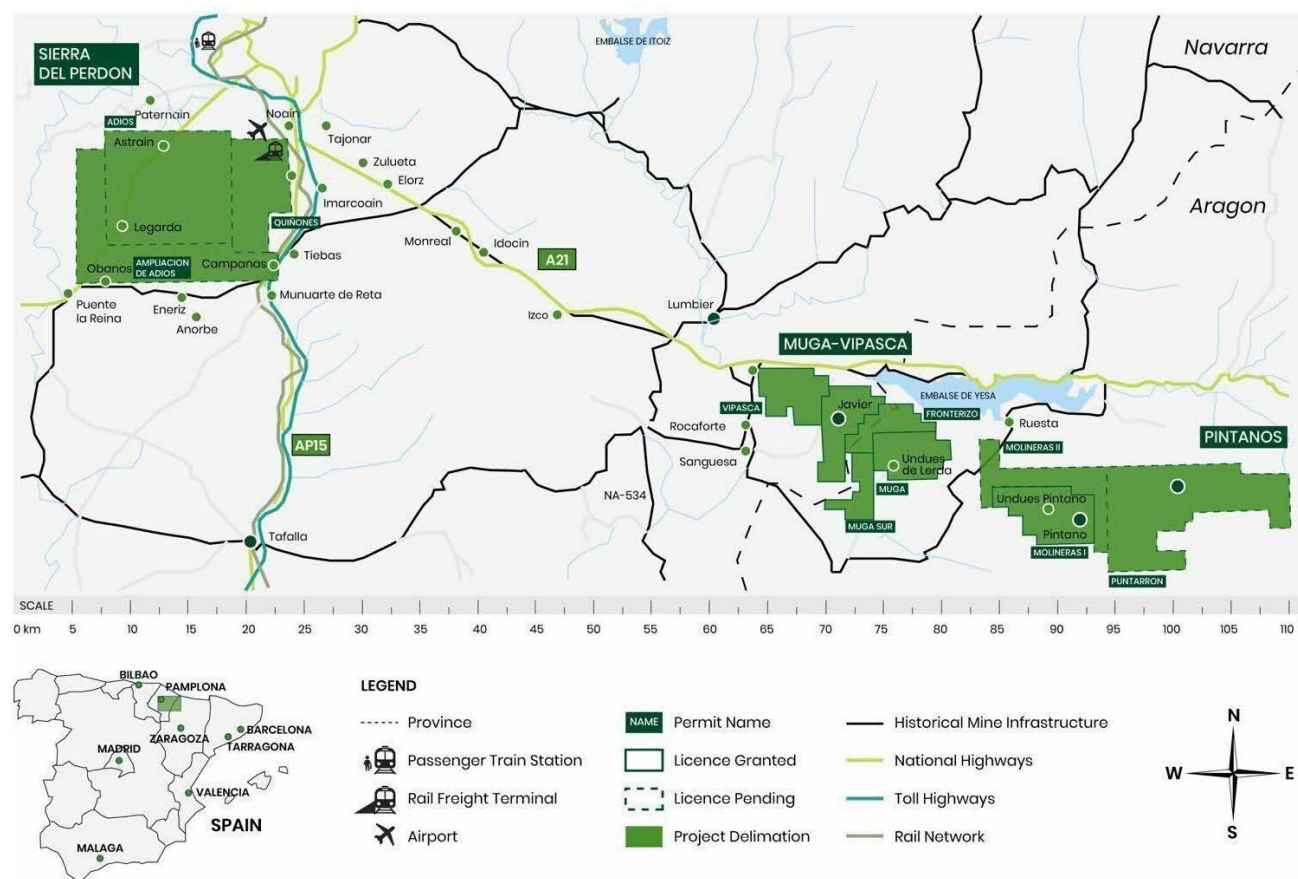
About Highfield Resources

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

Muga is a unique project – with shallow mineralization and no aquifers above it there is no need to build a shaft. There is high quality and readily accessible infrastructure already in place in the region and importantly, the Muga Project is located in the heart of a European agricultural region which has a clear deficit in potash supply. In addition to Muga's secure southern European location, since February 2022 events in Russia and Belarus have heightened the awareness of the strategic value of the Muga Project for both Spain and the European Union.

Highfield's potash tenements (Muga-Vipasca, Pintos, and Sierra del Perdón) are located in the Ebro potash producing basin in Northern Spain, covering an area of around 250km².

FIGURE 1: LOCATION OF MUGA-VIPASCA, PINTANOS, AND SIERRA DEL PERDÓN TENEMENT AREAS IN NORTHERN SPAIN.



Highfield Resources

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About Yankuang Energy and Yancoal Canada

Yankuang Energy is a joint stock company with limited liability incorporated under the laws of the PRC, with its H Shares and A Shares listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange, respectively. Yankuang is principally engaged in mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing and intelligent logistics. Yankuang Energy is a majority shareholder in ASX listed Yancoal Australia Ltd.

Yancoal Canada is a wholly-owned subsidiary of Yankuang Energy established in 2011 and located in Saskatchewan, Canada. Yancoal Canada is principally engaged in the exploration and development of potash and holds a 100% interest in the Southey project, a greenfield potash mine project and four other potash mining right.