Highfield Resources

Half Year Financial Report
30 June 2025

highfieldresources.com.au
ABN 51 153 918 257

For personal use only

CONTENTS — PAGE

CORPORATE DIRECTORY

Current Directors
Mr Paul Harris (Independent Non-Executive Chairman)
Ms Pauline Carr (Independent Non-Executive Director)
Mr Luke Anderson (Non-Executive Director)

Company Secretary
Ms Katelyn Adams

Registered Office
169 Fullarton Road
DULWICH, SA 5065

Telephone: +61 8 8133 5000
Facsimile: +61 8 8431 3502
Website: highfieldresources.com.au

Share Registry
Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY, NSW 2000
Website automicgroup.com.au

Auditor
PricewaterhouseCoopers
Level 11/70 Franklin St
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

The Directors present their report for Highfield Resources Limited ("Highfield", or "the Company") and its subsidiaries Geoalcali S.L.U. ("Geoalcali") and KCL Resources Limited (together "the Group") for the financial half year ended 30 June 2025. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of Directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Paul Harris	Independent Non-Executive Chairman
Mr Ignacio Salazar	CEO and Managing Director (resigned 9 May 2025)
Ms Pauline Carr	Independent Non-Executive Director
Mr Roger Davey	Independent Non-Executive Director (resigned 21 March 2025)
Mr Luke Anderson	Non-Executive Director

Results

The net loss for the half year ended 30 June 2025 was $50.2m (30 June 2024: net loss of $6.2m). The significant increase in net loss was primarily driven by the impairment of capitalised transaction costs relating to the Senior Secured Project Finance Facility (Refer Note 16 to the Notes to the Condensed Financial Statements).

REVIEW OF OPERATIONS

Highfield 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. The principal activity of the Group during the half year period was to advance its flagship Muga-Vipasca Potash Project.

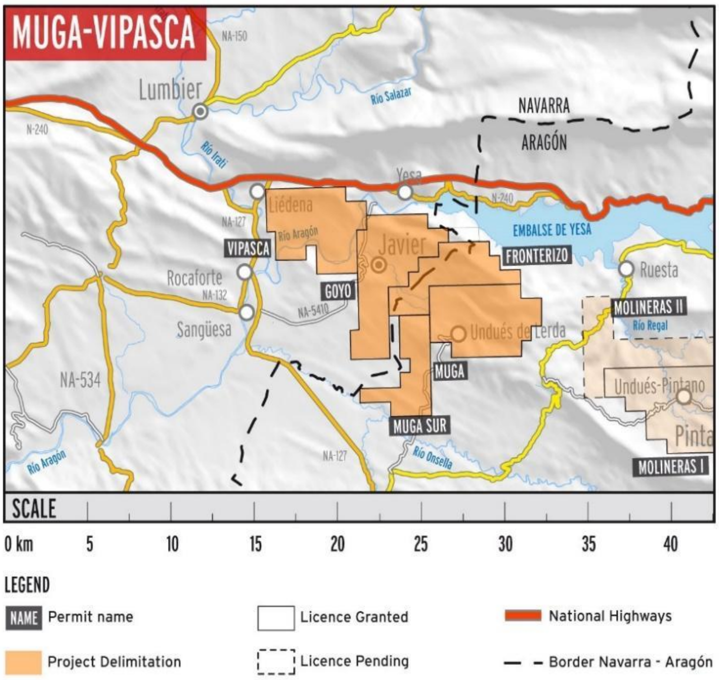
MUGA-VIPASCA PROJECT

Overview

The Muga Project ("Muga" or "the Project") is targeting the relatively shallow sylvinite beds in the Muga Project area that covers about 40km^2 located in the regions of Navarra and Aragón. The Muga Mine 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^2, but recent geological data 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.

For personal use only



Permitting Update

In the fourth quarter of 2024, the Company was informed of a procedural matter raised by the Superior Court of Justice of Navarra ("TSJN") relating to the coordination process 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").

In January 2025, 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.

While 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, a decision that is expected to be received from the TS in October or November 2025 (however, there can be no guarantee that this timeline will not be extended by the Court). Following this decision, the judicial process will either continue, which could be a protracted process, or an administrative solution will be sought which the Company believes could prove to be a swifter resolution. Highfield will update the market on this matter, and any steps that follow, once the Court's decision is received. The Company also announced that the Government of Navarra has reaffirmed its institutional support for Muga and thanked Highfield Resources and other investors for driving forward this type of project (refer ASX announcement dated 28 August 2025, "Positive Support from Government of Navarra and Update on Goyo Concession").

The Company remains confident that this matter will be resolved satisfactorily, supported by the institutional alignment and coordinated appeals by three levels of Spanish government and the comprehensive environmental and technical approvals already secured for the Muga Project.

For personal use only

For personal use only

Technical Update

The Company 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.

Following feedback from financing banks, the 2023 Updated Feasibility Study incorporated minor updates, though the processing plant design and mine plan remain unchanged from the December 2021 study.

Construction Update

Highfield Resources has simplified the contracting strategy for the Muga-Vipasca Potash Project to an owner-managed delivery model, with underground works carried out by a specialized mining contractor and aboveground works by a general contractor. In March 2024, the Company signed a €48 million, 26-month contract with the EPOS-TUNELAN joint venture for declines and underground infrastructure, and in April 2024 a €56.9 million, 27-month contract with Acciona for civil works and urbanisation. These two contracts that are currently on hold will be reactivated once the funding is secured. Both contracts align with the 2023 Feasibility Study cost and timeline estimates. With these agreements, nearly two-thirds of the construction budget has been awarded, and the Company is positioned to commence construction once the permitting and financing process are finalized.

Sales and Marketing Update

Trade sanctions on Belarus and voluntary restrictions on Russia have constrained global potash supply since 2021, pushing prices to record highs and temporarily reducing demand. By 2024, demand returned to normal as market conditions stabilized, but the geopolitical landscape now excludes former Soviet producers from many Western markets. Ongoing conflicts in Eastern Europe and the Middle East have further prompted buyers to seek stable alternative sources, encouraging strategic discussions with potential offtakers and logistics partners.

Despite market volatility, long-term fertilizer demand remains on an upward trajectory due to population growth and declining arable land per capita. In response, the Company updated its marketing plan in line with the 2023 Feasibility Study. Phase 1 of the Muga project will produce standard-grade muriate of potash (SMOP), with granular-grade muriate of potash ("GMOP") added in Phase 2. The strategy aligns product supply with regional demand—Europe requires roughly equal SMOP and GMOP, while other markets mainly demand GMOP—allowing incremental logistics implementation and optimized shipping costs.

Financing Update

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 clauses of the Facilities Agreement (see ASX release 28 January 2025 "Update on Facilities Agreement and Project Financing" and ASX release 1 April 2025 "Progress Update on Agreement with Yankuang").

As part of the process Societe Generale, BNP Paribas and Natixis exited the Facility. Subsequently, and as part of a request for the three remaining syndicate banks, ING, HSBC and Caja Rural, to either waive in full or in part commitment fees owing and to defer such fees to 15 December 2025, it was agreed that these banks would exit the Facility.

The Company has secured a stand-by loan facility of up to €1.15 million from EMR Capital, refer to ASX release dated 13 May 2025 "Highfield Secures Additional Financial Support from EMR Capital". The unsecured loan, which remains subject to definitive documentation as of the date of this report, is intended to provide working capital and cover ongoing general administrative costs. Key terms include a fixed market-rate coupon, a six-month maturity from first drawdown (or earlier upon certain events), and an initial principal of €0.65 million, potentially increasing to €1.15 million if certain milestones are met.

On 13 May 2025, and as part of the announced transaction with Qinghai Salt Lake ("QSL"), EMR as the controlling noteholder, agreed to extend the maturity date of its convertible loan notes to the earlier of (i) 31 July 2025 (subject to automatic extension by 75 days if a binding term sheet was entered into with QSL by 30 June 2025) and (ii) the date on which the proposed Transaction was terminated by QSL.

Additionally, on 31 July 2025, the Company announced that it had executed a second deed of amendment with the noteholders to extend the maturity date to the earliest to occur of: 15 August 2025, or additionally 31 August 2025, if QSL had provided its written confirmation of its intention to proceed with the proposed transaction; or the date on which the proposed Transaction was terminated by QSL.

As a result, the Company's convertible notes issued to EMR Capital and other noteholders matured and are currently repayable on a demand for repayment by EMR as the controlling noteholder. EMR, as the largest and controlling convertible noteholder, has informed the Company that it does not intend presently to take immediate enforcement action in relation to the convertible notes and related security and has reserved all of its rights under and in connection with the convertible notes while it continues to engage constructively with Highfield on the company's future plans and funding options. In this respect, the Company announced that EMR agreed to not enforce, take any enforcement action or instruct enforcement of any security interest it has until 31 October 2025, subject to certain conditions (refer to ASX announcement "Convertible Note Standstill Agreement", released on 11 September 2025),

The Directors continue to be in active discussions with both its convertible noteholders and the Groups' major creditors to obtain their continuing support whilst it seeks to raise additional funding to support the Group in the short-term and in order to enable it to implement a longer-term strategy to address its long-term financing needs.

Without the continuing support of both its noteholders, and major creditors, whilst the Board seek to raise adequate additional funding, including the success of the Board's efforts in raising such funding, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, to realise its assets and discharge its liabilities in the normal course of business in the future.

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 update incorporated a more advanced level of engineering and provided refinements to a number of mining and processing technical parameters.

The study reaffirmed a 30-year Life of Mine and a staged production capacity of 1 million tonnes per annum across two phases. It also confirmed a competitive average C1 cash cost of €108 per tonne, after accounting for by-product salt revenue, and projected capital expenditure requirements of €449 million for Phase 1 and €286 million for Phase 2.

To strengthen confidence in these estimates, the study incorporated the effects of global cost inflation on raw materials and relied on contract values and firm offers covering 93% of the updated capex estimate, an improvement from 76% in the prior Feasibility Study.

The revised analysis highlighted the robust economics of the Muga Project, with an estimated NPV_8 of €1.82 billion and an IRR of 23%.

For personal use only

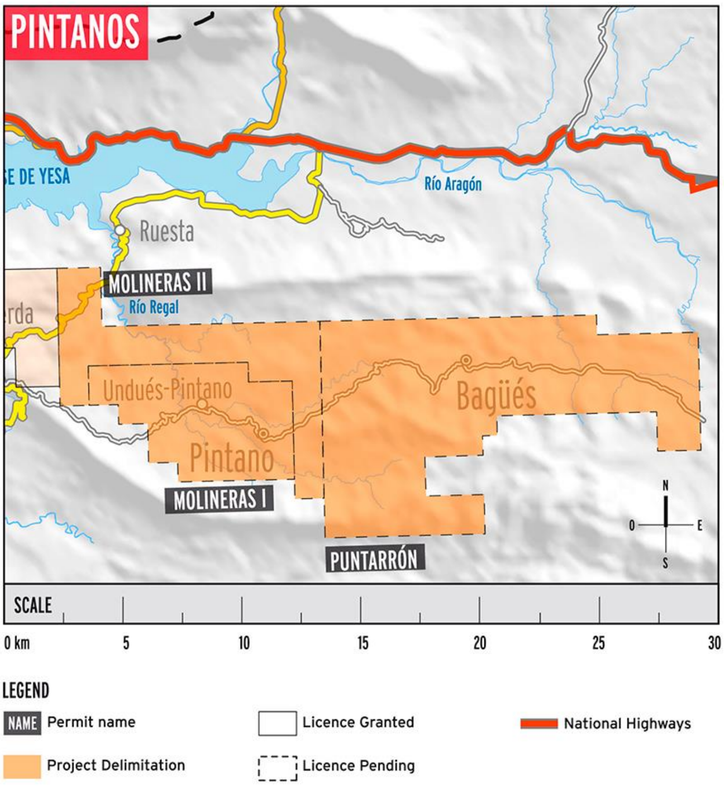
PINTANOS

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

Geoalcali was granted a three-year extension on the drilling permit at Molineras 1 in 2020. Shortly before its expiry in April 2023, the Company requested its second three-year extension, which was finally 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 and is now working with the mining authorities to reactivate the permit. 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 has been carried in this tenement during the half year ended 30 June 2025.

The current priority for the Company remains the development of the Muga Mine.

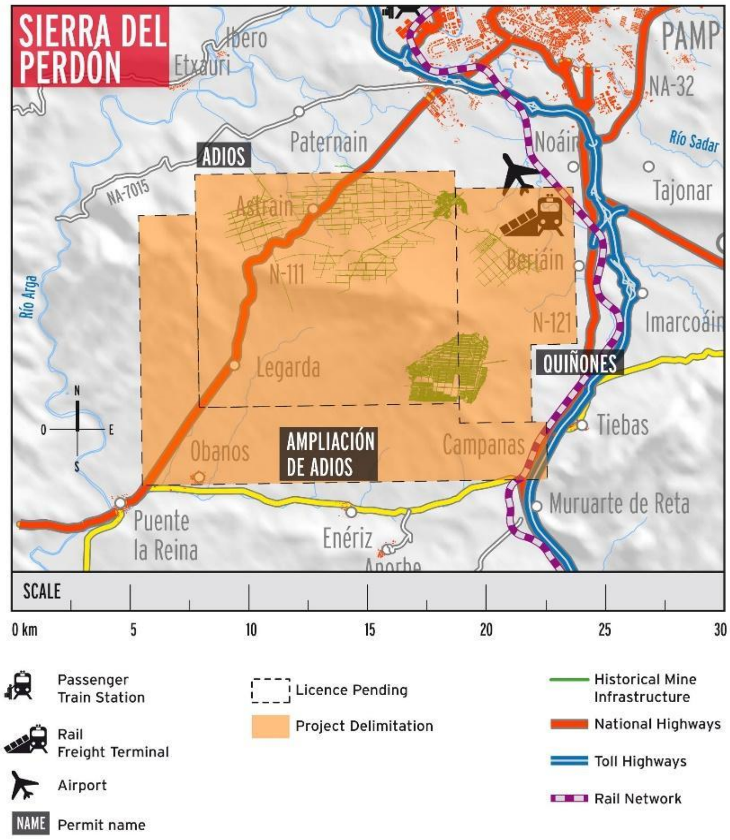


For personal use only

SIERRA DEL PERDÓN

Sierra del Perdón tenement area ("SdP") is located southeast of Pamplona and compresses three permits, Quiñones, Adiós and Ampliación de Adiós with an approximate area of 125km^2. SdP is a brownfield target which previously hosted two potash mines operating from the 1960s until the late 1990s, producing nearly 500,000 tonnes of potash per annum.

The Company believes that there is potential for potash exploitation in new, unmined areas in the SdP area.



The Company was advised in the fourth quarter of 2018 that the second three-year extension application for the Adiós and Quiñones permits had been rejected by the mining department of the Government of Navarra. The basis of the rejection of the Quiñones and Adiós extension application was that Geoalcali had not performed sufficient drilling and geophysics exploration when compared with what it had committed to in the three-year work plans submitted to the authorities. The Company appealed this decision in 2019 and has so far not obtained a resolution.

Similarly, in the fourth quarter of 2020, the Company was advised that the second three-year extension application for the Ampliación de Adiós permit had been rejected by the mining department of the Government of Navarra. The Company appealed this decision in the last quarter of 2020, in line with the ongoing process of the other two SdP permits. Based on local Spanish legal advice, the continued lack of a resolution to the appeal is not seen as a reflection of the merits of the appeal, nor does it represent a significant change with an adverse effect on the entity.

The current priority for the Company remains the development of the Muga Mine.

For personal use only

CORPORATE

Management Changes

On 9 May 2025, Highfield announced the resignation of Mr Ignacio Salazar as CEO and Managing Director, effective immediately. Mr Salazar, who joined the Group in 2020 and the Board in 2021, played a pivotal role in advancing the Muga project, including securing key licences and initiating site preparatory works, as well as raising funds for its development.

On 16 May 2025, the Company confirmed the appointment of Mr Carles Aleman, previously Head of Plant Construction & HSE for the Muga project, as CEO (Geoalcali director general). Mr Aleman brings 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. In his new role, he will lead local operations and government engagement in Spain.

On 16 May 2025 Mr Olivier Vadillo, formerly 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 will drive the Company's global corporate strategy and stakeholder engagement.

These changes form part of a broader strategic realignment to strengthen leadership capabilities as the Company advances the construction and development of the Muga potash project.

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.

Since its inception, the Foundation has supported close to 200 projects in collaboration with municipal authorities, social associations, foundations, and scientific and agricultural organizations. Its activities are structured around four key pillars: Education, Social Integration, Sustainable Communities, and Environmental Commitment. The Foundation's initiatives are widely recognized and valued by the local community, with several having received awards and external recognition as exemplary sustainable practices.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 13 May 2025, Highfield announced that it had entered into a non-binding Letter of Intent ("LOI") with Qinghai Salt Lake Industry Co., Ltd. (a subsidiary of China Minmetals Corporation) and other parties regarding a proposed US$300 million equity subscription to support the advancement of the Muga potash project and other strategic initiatives (refer ASX announcement dated 13 May 2025, "Following the Transaction with Yankuang Energy, Highfield Signs Letter of Intent with a subsidiary of China Minmetals for US$300 Million Equity Subscription").

During July 2025, Qinghai Salt Lake progressed its due diligence and the parties agreed to amend the LOI, extending the exclusivity period to allow further negotiations toward finalising binding documentation.

On 18 August 2025, (refer ASX announcement "Update on Proposed Strategic Investment") Highfield announced that China Minmetals and Qinghai Salt Lake had decided not to proceed with the proposed transaction. As a result, the Company's convertible notes issued to EMR Capital and other noteholders matured and are currently repayable on a demand for repayment by EMR as the controlling noteholder. EMR, as the largest and controlling convertible noteholder, has informed the Company that it does not intend presently to take immediate enforcement action in relation to the convertible notes and related security and has reserved all of its rights under and in connection with the convertible notes while it continues to engage constructively with Highfield on the Company's future plans and funding options. Highfield remains committed to the strategic objectives that have underpinned recent transaction discussions, with a focus on delivering long-term value to shareholders.

On 11 September 2025 (refer ASX announcement "Convertible Note Standstill Agreement"), Highfield advised that it had entered into a standstill agreement with EMR (as controlling noteholder) pursuant to which the noteholders will not enforce, take any enforcement action or instruct enforcement of any security interest until at least 31 October 2025 subject to certain conditions.

On 11 September 2025 (refer ASX announcement "Project Finance Facility Update"), the Company announced that the process to amend its financing arrangements (see ASX announcement 1 April 2025, "Progress Update on Completion of

For personal use only

Agreement with Yankuang"), which led to the exit of Societe Generale, BNP Paribas, and Natixis, culminated with the departure of ING, HSBC, and Caja Rural de Navarra, thus resulting in the termination of the Facility. This outcome was the only viable solution to ensure no further commitment fees will accrue.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditor to provide the Directors of the Company with an Independence Declaration in relation to the review of the half year financial report. A copy of that declaration is included on page 9 and forms part of this Directors' report for the half year ended 30 June 2025.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Paul Harris
Chairman

12 September 2025

For personal use only

Auditor's Independence Declaration

As lead auditor for the review of Highfield Resources Limited for the half-year ended 30 June 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 review; and

b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Highfield Resources Limited and the entities it controlled during the period.

Julian McCarthy
Partner
PricewaterhouseCoopers

Adelaide
12 September 2025

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

Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 30 June 2025

	Note	30 June 2025	30 June 2024
Continuing operations			
Interest received/(paid)		78,389	77,877
Gain/(Loss) on foreign exchange		(12,580)	(21,692)
Listing and share registry expenses		(59,429)	(42,079)
Professional and consultants' fees	14	(2,974,770)	(1,362,869)
Director and employee costs		(1,462,219)	(1,414,758)
Share-based payments expense	13	(24,116)	(184,476)
Impairment - exploration	4	-	(910,848)
Depreciation	5	(2,755)	(5,010)
Other expenses	15	(1,370,497)	(1,119,900)
Fair value on convertible note	8	5,478,414	2,083,889
Interest expense on convertible note	8	(4,597,216)	(3,274,467)
Other financial expenses	16	(45,278,538)	-
Loss before income tax		**(50,225,317)**	**(6,174,333)**
Net loss for the period		**(50,225,317)**	**(6,174,333)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		12,320,438	(2,863,576)
Other comprehensive income/(loss) for the period net of tax		**12,320,438**	**(2,863,576)**
Total comprehensive loss for the period		**(37,904,879)**	**(9,037,909)**
Loss per share			
Basic and diluted loss per share (cents)		(10.64)	(1.57)

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

For personal use only

Condensed Consolidated Statement of Financial Position

as at 30 June 2025

	Note	30 June 2025	31 December 2024
Current Assets			
Cash and cash equivalents		6,432,542	11,959,572
Other receivables	3	191,348	39,120,297
Total Current Assets		**6,623,890**	**51,079,869**
Non-Current Assets			
Other receivables	3	1,010,256	1,311,542
Property, plant and equipment	5	14,529,512	13,579,883
Deferred exploration and evaluation expenditure	4	165,285,062	155,102,389
Total Non-Current Assets		**180,824,830**	**169,993,814**
Total Assets		**187,448,720**	**221,073,683**
Current Liabilities			
Trade and other payables	6	17,541,148	10,427,949
Tax payable	7	8,880,006	8,210,619
Short-term bank debt	8	1,055,612	7,499,087
Loans and borrowings	9	44,984,117	40,386,901
Derivative financial liability	9	-	5,478,414
Total Current Liabilities		**72,460,883**	**72,002,970**
Other non-current liabilities	10	248,137	3,787,536
Total Non-Current Liabilities		**248,137**	**3,787,536**
Total Liabilities		**72,709,020**	**75,790,506**
Net Assets		**114,739,700**	**145,283,177**
Equity			
Issued capital	11	230,622,943	223,285,657
Reserves	12	51,341,574	38,997,020
Accumulated losses		(167,224,817)	(116,999,500)
Total Equity		**114,739,700**	**145,283,177**

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

For personal use only

personal use only

Condensed Consolidated Statement of Changes in Equity

for the half year ended 30 June 2025

	Issued capital	Accumulated losses	Share-based payments reserve	Foreign exchange translation reserve	Option premium reserve	Total
Balance at 1 January 2024	**206,740,655**	**(97,765,422)**	**26,778,823**	**7,539,619**	**1,000**	**143,294,675**
Total comprehensive loss for the period						
Loss for the period	-	(6,174,333)	-	-	-	(6,174,333)
Other comprehensive loss – foreign currency translation	-	-	-	(2,863,576)	-	(2,863,576)
Total comprehensive loss for the period	-	(6,174,333)	-	(2,863,576)	-	(9,037,909)
Transactions with owners in their capacity as owners						
Issue of securities	-	-	-	-	-	-
Cost of issue	-	-	-	-	-	-
Share-based payment	-	-	184,476	-	-	184,476
Balance at 30 June 2024	**206,740,655**	**(103,939,755)**	**26,963,299**	**4,676,043**	**1,000**	**134,441,242**
Balance at 1 January 2025	**223,285,657**	**(116,999,500)**	**27,107,448**	**11,888,572**	**1,000**	**145,283,177**
Total comprehensive income for the period						
Loss for the period	-	(50,225,317)	-	-	-	(50,225,317)
Other comprehensive gain – foreign currency translation	-	-	-	12,320,438	-	12,320,438
Total comprehensive income for the period	-	(50,225,317)	-	12,320,438	-	(37,904,879)
Transactions with owners in their capacity as owners						
Issue of securities	8,001,280	-	-	-	-	8,001,280
Cost of issue	(663,994)	-	-	-	-	(663,994)
Share-based payment	-	-	24,116	-	-	24,116
Balance at 30 June 2025	**230,622,943**	**(167,224,817)**	**27,131,564**	**24,209,010**	**1,000**	**114,739,700**

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

Condensed Consolidated Statement of Cash Flows

for the half year ended 30 June 2025

	30 June 2025	30 June 2024
Cash flows from operating activities		
Payments to suppliers and employees	(4,950,154)	(4,022,824)
Interest (paid)/received	74,789	77,877
Other receipts including GST/VAT (paid)/received	565,486	393,654
Net cash used in operating activities	**(4,309,879)**	**(3,551,293)**
Cash flows from investing activities		
Purchase of plant and equipment	-	(108,738)
Payments for exploration and evaluation expenditure	(1,788,515)	(2,360,801)
Net cash used in investing activities	**(1,788,515)**	**(2,469,539)**
Cash flows from financing activities		
Payments of project finance fees	(7,689,179)	(5,314,428)
Proceeds from issue of securities	8,001,281	-
Payments for share issue cost	(125,803)	-
Proceeds from convertible note	-	7,574,218
Net cash provided by financing activities	**186,299**	**2,259,790**
Net increase/(decrease) in cash and cash equivalents	(5,912,095)	(3,761,042)
Cash and cash equivalents at the beginning of the period	11,959,572	14,083,844
Effect of exchange rate fluctuations on cash	385,065	(63,841)
Cash and cash equivalents at the end of the period	**6,432,542**	**10,258,961**

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

For personal use only

Notes to the Condensed Financial Statements

for the half year ended 30 June 2025

For personal use only

1. Corporate Information

The condensed consolidated financial report of Highfield Resources Limited ("Highfield" or "the Company") and its subsidiaries (together referred to as the "Group") for the half year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 10 September 2025. 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

These condensed consolidated financial statements for the half year reporting period ended 30 June 2025 have been prepared in accordance with applicable accounting standards including AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

These half year condensed consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these half year condensed financial statements are to be read in conjunction with the consolidated financial statements for the year ended 31 December 2024 and any public announcements made by Highfield during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) Going Concern

These condensed interim financial statements have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the half year ended 30 June 2025, the Group incurred a loss before income tax of $50,225,317 (30 June 2024: loss of $6,174,333), which includes a non-cash impairment of $45,122,289 (refer Note 16), (2024: $Nil), incurred net operating cash outflows of $4,309,879 (30 June 2024: net operating cash outflows of $3,551,293) and had a current asset deficiency of $65,836,993 (30 June 2024: current asset deficiency of $20,923,101). At the date of this report the Group has cash and cash equivalents of $6,432,542 (31 December 2024: $11,959,572). The Group has no cash generating activities.

Subsequent to 30 June 2025, 2,652 convertible notes of $44,984,117 matured and became repayable. EMR, as the largest and controlling noteholder, has informed the Company that it does not intend presently to take immediate enforcement action in relation to the convertible notes and related security and that it is currently reserving its rights to enforce repayment of the convertible notes and security whilst the Company continues to develop and implement its plans to secure additional sources of funding which will enable it to continue to operate into the foreseeable future.

If the convertible note holders were to demand immediate repayment of the notes the Group does not currently have the cash resources available to meet its repayment obligations and consequently the note holders would be in a position to take an enforcement action which could include appointing a Receiver and Manager to protect their security interests including the Group's ownership interest in its wholly owned controlled entity, Geoalcali S.L.U.

Additionally, the Group has throughout the reporting period sought and obtained repayment relief from its creditors as required.

Based on its current forecast cash outflows and without obtaining additional funding sources and the continuing support of these creditors the Group will not have the required funds available to meet these deferred creditor obligations and ensure the continuing viability of the Muga Project in Spain.

The Board continues to be in active discussions with both its convertible noteholders and the Group's major creditors to obtain their continuing support whilst it seeks to raise additional funding to support the Group in the short-term and in order to enable it to implement a longer-term strategy to progress the Muga Project.

As a result of the above, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, to realise its assets and discharge its liabilities in the normal course of business in the future.

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) New and amended standards adopted by the Group

No new or amended standards have been adopted by the Group during the period.

(d) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each area of interest are recognised as an exploration and evaluation asset in the period in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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 where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment 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 is reclassified to development.
Where an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

	30 June 2025	31 December 2024
3. Other Receivables		
Current		
GST receivable	88,300	162,698
VAT receivable	-	196,239
Deposits	718	9,132
Prepaid expenses	102,330	38,752,228
	191,348	**39,120,297**
Non-current		
Guarantees	1,010,256	1,311,542
	1,010,256	**1,311,542**

GST and VAT receivables 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.

Deposits and guarantees represent amounts provided to third parties, which are expected to be recoverable. The Company has handed over to the relevant Administrations certain amounts of cash to cover the cost of dismantling and removing the works carried out to date on site and to rehabilitate the land on which they are located.

For personal use only

Prepaid expenses related to the formalisation of the Project Financing Facility for Muga have been impaired as at the date of this report. Refer to Note 16.

	30 June 2025	31 December 2024
4. Deferred Exploration & Evaluation Expenditure		
Opening balance	155,102,389	147,313,513
Exploration and evaluation expenditure incurred during the period	969,442	4,272,250
Exploration and evaluation disposals during the period	(743,174)	-
Impairment	-	(910,848)
Net exchange differences on translation	9,956,405	4,427,474
	165,285,062	**155,102,389**

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

	30 June 2025	31 December 2024
5. Property, Plant and Equipment		
Cost	15,283,816	14,261,956
Accumulated depreciation and impairment	(754,304)	(682,073)
Net carrying amount	**14,529,512**	**13,579,883**
Movements in Property, Plant and Equipment		
Opening balance	13,127,954	13,127,954
Additions	71,976	49,627
Net exchange differences on translation	1,332,337	421,795
Depreciation charge for the period	(2,755)	(19,493)
Closing balance	**14,529,512**	**13,579,883**

Property, Plant and Equipment include the initial construction works around the mine gate and the amounts of the Construction Tax payable to the Town halls of Sangüesa (the quantum of this tax is under dispute, see Note 7) and Undués de Lerda.

For personal use only

For personal use only

	30 June 2025	31 December 2024
6. Trade and Other Payables		
Current		
Supplier invoices	3,305,516	2,719,291
Land expropriation payables	6,275,292	5,874,469
Accruals	3,103,962	1,834,189
Other current liabilities	4,856,378	-
	17,541,148	**10,427,949**

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.

The provision for land expropriation reflects the payments the Company agreed to make to the former owners with whom a settlement was reached after the completion of the expropriation process. Payment of these amounts will be made after the funds to fully fund the construction of Muga are obtained.

A provision for payment of the 2024 Short Term Incentive ("STI") to employees of $1.1 million is included in accruals. The 2024 STI was approved by the Board in March 2025 with such payment being deferred until either the full capital funding of Muga is completed or, additional adequate funding is obtained, and the Board specifically authorises the payment of the 2024 STI.

Other current liabilities relate to the amounts owed to Macquarie Specialised Assets Services Ltd ("Macquarie") for mining equipment the subject of a Master Rental Agreement.

	30 June 2025	31 December 2024
7. Tax payable		
Construction Tax Sangüesa Townhall	8,527,246	7,969,875
WHT Taxes	170,035	176,560
Social Security	90,235	64,184
VAT payable	92,490	-
	8,880,006	**8,210,619**

While the Town Hall of Sangüesa had requested payment of the Construction Tax amounting to approximately €4.7 million in 2023 following the permit it approved in 2023, it has not been invoiced. Geoalcali appealed the proposed quantum of the tax before the Town Hall, requesting suspension of payment. This appeal is still pending resolution.

	30 June 2025	31 December 2024
8. Short-Term Bank Debt		
Commitment fees	1,055,612	7,499,087
	1,055,612	**7,499,087**

Short term bank debt refers to commitment fees payable to the banks relating to the Project Financing Facility for Muga. As per the Facility agreement these fees are computed at a certain margin percentage calculated on the lenders' available commitment to date. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

	30 June 2025	31 December 2024
9. Convertible Note and Conversion Option		
Current		
Host debt component	44,984,117	40,386,901
Conversion option	-	5,478,414
	44,984,117	**45,865,315**
Interest expense on convertible note	(4,597,216)	(15,951,076)
Fair value on convertible note	5,478,414	8,468,461
	881,198	**(7,482,615)**

On 22 May 2023, the Group entered into a Convertible Note agreement with EMR and Tectonic Investment Management for approximately $25 million. The agreement with a maturity date of 24 months consisted in the issuance of 1,938 notes (arrangement fee of 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 and will mandatorily be converted into fully paid ordinary shares in the Company before the first drawdown of the €320.60 million senior loan facility secured with a group of European banks to fund the Muga Project.

A further US$6 million ($8.9 million) borrowing was secured in December 2023 in the form of 714 convertible notes (an arrangement fee of 2% 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). The same strategic investors plus another institutional investor were the lenders. Proceeds from the notes owned by the institutional investor were received in December 2023 and hence, 102 notes were issued then. Proceeds for the remaining 612 notes were received in early 2024 and the corresponding notes were issued in January 2024 and February 2024. Upon execution of the Tranche 2 the conversion price of the Tranche 1 notes was amended.

As a result of these two tranches a total of 2,652 notes are being held by the lenders as at the date of this report.

On 13 May 2025, and as part of the announced transaction with Qinghai Salt Lake ("QSL"), EMR as the controlling noteholder, agreed to extend the maturity date of its convertible loan notes to the earlier of (i) 31 July 2025 (subject to automatic extension by 75 days if a binding term sheet was entered into with QSL by 30 June 2025) and (ii) the date on which the proposed Transaction was terminated by QSL.

Additionally, on 31 July 2025, the Company announced that it had executed a second deed of amendment with the noteholders to extend the maturity date to the earliest to occur of: 15 August 2025, or additionally 31 August 2025, if QSL had provided its written confirmation of its intention to proceed with the proposed transaction; or the date on which the proposed Transaction was terminated by QSL. Following this, on 11 September 2025 the Company announced that EMR agreed to not enforce, take any enforcement action or instruct enforcement of any security interest it has until 31 October 2025 (refer to ASX announcement "Convertible Note Standstill Agreement"),

The convertible notes have 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.

For determining the initial fair value of the conversion option, the Black-Scholes method was used with the following assumptions:

(a) conversion option price of $0.515 (May 2023) and $0.2832 (Dec 2023) for Tranche 1 and $0.3147 (Dec 2023) for Tranche 2;
(b) share price at inception of $0.535 (May 2023), $0.505 (Jun 2023), $0.330 (Dec 2023), $0.305 (Jan 2024) and $0.340 (Feb 2024);

For personal use only

(c) expected volatility of 50% applied consistently throughout all the valuations;
(d) convertible note term of 2.12 years for the Tranche 1 options and between 0.49 to 1.35 for the Tranche 2 options; and
(e) risk free interest rate ranges from 3.374% to 4.074%.

The fair value of the conversion option as at 30 June 2025 is deemed to be zero, on the grounds that the notes matured on 15 August 2025, and as at 30 June 2025 the conversion option had zero probability of execution given the option was "deeply out of the money". The corresponding entry to remove the conversion option carrying value was reversed through the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Accordingly, the carrying amount of the host debt represents the contractual obligation to repay the noteholders at maturity. The redemption amount payable is therefore calculated as the face value of the notes plus accrued interest at the contractual rate of 14% per annum over the two-year term, on a compounded basis.

	30 June 2025	31 December 2024
10. Non-current liabilities		
Restoration provision	248,137	231,930
Other non-current liabilities	-	3,555,606
	248,137	**3,787,536**

The Company has a legal obligation to dismantle and remove all the installations it constructs on the mining area and to restore and rehabilitate the land on which they are situated. A provision has therefore been established which reflects the estimated rehabilitation costs based on the site works undertaken as at the half year ended 30 June 2025. The rehabilitation provision represents the best estimate of the expenditure required to meet this obligation when the mine ceases to operate. When provisions for rehabilitation are initially recognised, the corresponding cost is capitalised as an asset and amortised accordingly.

	30 June 2025	31 December 2024
11. Issued Capital		
(a) Issued and paid-up capital		
Issued and fully paid	**230,622,943**	**223,285,657**

	30 June 2025	
	No.	$
(b) Movements in ordinary shares on issue		
Half year ended 30 June 2025:		
Opening balance	449,109,874	223,285,657
Issue of securities	24,967,169	7,337,286
Closing balance	**474,077,043**	**230,622,943**

	30 June 2025	31 December 2024
12. Reserves		
Share-based payment reserve[1]	27,131,564	27,107,448
Foreign currency translation reserve[2]	24,209,010	11,888,572
Option premium reserve[3]	1,000	1,000
	51,341,574	**38,997,020**

[1] The share-based payment reserve is used to record the value of equity benefits provided to Directors, executives and employees as part of their remuneration package for their services.

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

For personal use only

[3] The option premium reserve is used to record the amount received on the issue of unlisted options.

	Half year ended 30 June 2025	Half year ended 30 June 2024
13. Share-based Payments		

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

Options granted during the period	-	23,000
Options granted in prior periods	24,116	161,476
	24,116	**184,476**

Employee share-based payments

The Company operates an equity incentive plan known as 'Highfield Resources Limited Employee Long Term Incentive Plan' ("ELTIP"). Subject to the attainment of performance hurdles and 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 senior managers.

The fair value at grant date of options granted each period is determined using the binomial method, 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.

At the half year ended 30 June 2025 the Company has not granted options in the context of the ELTIP plan to employees. Similar to the previous year, it is not planned to grant options for the financial year ending 31 December 2025.

	Half year ended 30 June 2025	Half year ended 30 June 2024
14. Professional and consultants' fees		
Corporate advisory fees	480,825	679,268
Legal fees	1,704,644	538,947
Due diligence fees	705,432	75,000
Other	83,869	69,654
	2,974,770	**1,362,869**

	Half year ended 30 June 2025	Half year ended 30 June 2024
15. Other expenses		
Advertising and promotion	119,834	79,115
Computer and software expenses	37,000	60,325
Subscriptions and memberships	-	14,029
Investor relations	90,374	83,089
Insurances	316,292	293,189
Rents	124,335	98,094
Loss on sale of deferred E&E assets	511,785	-
Other administration expenses	170,877	384,180
	1,370,497	**1,012,021**

For personal use only

	Half year ended 30 June 2025	Half year ended 30 June 2024
16. Other financial expenses		
Impairment of transaction costs recorded as deferred costs		
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	-
Financial expenses		
Macquarie interest expense	156,249	-
	45,278,538	**-**

As announced to the ASX on 1 April 2025 the Company submitted a formal request to its lenders to amend certain clauses and seek waivers in respect of the Senior Secured Project Finance Facility due to the impending change of control anticipated to occur as part of the completion of the announced transaction with YKE. As part of the process Societe Generale, BNP Paribas and Natixis exited the Facility. Subsequently as part of a request for the three remaining syndicate banks, ING, HSBC and Caja Rural to either waive in full or in part commitment fees owing and to defer such fees to 15 December 2025, it was agreed that these banks would exit the Facility. Refer to ASX release dated 11 September 2025 "Project Finance Facility Update". As a consequence, an impairment expense of $45.1 million has been recognised given the Facility has been terminated.

17. Capital Expenditure Commitments

As at 30 June 2025, the Group had entered into a number of contracts as part of the development of its Muga Project in Spain. Expected payments in relation to these contracts will amount to approximately $290 million ($95 million once the Notices to Proceed are issued to the equipment suppliers, $188 million for the civil works and ramp construction contracts and $7 million for other contracts). These contracts will be executed only when sufficient financing has been secured. In the meantime, the contracts can be terminated by the Group at any time. The amount payable upon termination would be approximately $0.3 million.

18. Dividend

No dividend was paid or declared by the Company in the half year ended 30 June 2025 or in the period since the end of the half year financial period and up to the date of this report.

19. Contingent Assets and Liabilities

The former Managing Director of the Group, Mr Ignacio Salazar, who resigned on 9 May 2025, has filed a labour conciliation claim in Spain seeking payment of bonuses and amounts relating to his previous work of €489,032 with Geoalcali, the Group's 100% owned controlled entity. A conciliation hearing held on 2 July 2025 concluded without settlement as Geoalcali disputed certain elements of Mr Salazar's claim. Consequently, Mr Salazar indicated that he is currently in the process of preparing a claim which he intends to file before the Labour Courts of Pamplona in Spain.

In a further action, Mr Salazar lodged an application in the Commercial Court in Pamplona, Navarra on 8 July 2025 requesting that the Court declare Geoalcali insolvent on the basis of the non-payment of his employment claim. In the opinion of the Directors and based on specialist legal advice Mr Salazar's application is without merit. Spanish Legal Counsel has been engaged to defend this application. An objection to the claim detailing Geoalcali's grounds of defence in rejecting the application was lodged with the Commercial Court of Pamplona on 3 September 2025. The matter is scheduled to be heard by the Court on 17 September 2025. The Company considers both applications to be immaterial.

20. Significant Events after the Reporting Period Events

On 13 May 2025, Highfield announced that it had entered into a non-binding Letter of Intent ("LOI") with Qinghai Salt Lake Industry Co., Ltd. (a subsidiary of China Minmetals Corporation) and other parties regarding a proposed US$300 million equity subscription to support the advancement of the Muga potash project and other strategic initiatives (refer ASX announcement dated 13 May 2025, "Following the Transaction with Yankuang Energy, Highfield Signs Letter of Intent with a subsidiary of China Minmetals for US$300 Million Equity Subscription").

For personal use only

During July 2025, Qinghai Salt Lake progressed its due diligence and the parties agreed to amend the LOI, extending the exclusivity period to allow further negotiations toward finalising binding documentation.

On 18 August 2025, (refer ASX announcement "Update on Proposed Strategic Investment") Highfield announced that China Minmetals and Qinghai Salt Lake had decided not to proceed with the proposed transaction. As a result, the Company's convertible notes issued to EMR Capital and other noteholders matured and are currently repayable on a demand for repayment by EMR as the controlling noteholder. EMR, as the largest and controlling convertible noteholder, has informed the Company that it does not intend presently to take immediate enforcement action in relation to the convertible notes and related security and has reserved all of its rights under and in connection with the convertible notes while it continues to engage constructively with Highfield on the Company's future plans and funding options. Highfield remains committed to the strategic objectives that have underpinned recent transaction discussions, with a focus on delivering long-term value to shareholders. EMR has recently communicated that it is prepared to extend the convertible note re-payment date to 31 October 2025, subject to conditions.

On 11 September 2025 (refer ASX announcement "Convertible Note Standstill Agreement"), Highfield advised that it had entered into a standstill agreement with EMR (as controlling noteholder) pursuant to which the noteholders will not enforce, take any enforcement action or instruct enforcement of any security interest until at least 31 October 2025 subject to certain conditions.

On 11 September 2025 (refer ASX announcement "Project Finance Facility Update"), the Company announced that the process to amend its financing arrangements (see ASX announcement 1 April 2025, "Progress Update on Completion of Agreement with Yankuang"), which led to the exit of Societe Generale, BNP Paribas, and Natixis, culminated with the departure of ING, HSBC, and Caja Rural de Navarra, thus resulting in the termination of the Facility. This outcome was the only viable solution to ensure no further commitment fees will accrue.

For personal use only

For personal use only

In the opinion of the Directors of Highfield Resources Limited:

1. The attached condensed financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   a. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half year then ended; and.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Paul Harris
Chairman

12 September 2025

For personal use only

Independent auditor's review report to the members of Highfield Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Highfield Resources Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed Consolidated Statement of Financial Position as at 30 June 2025, the Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Highfield Resources Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

Material uncertainty relating to going concern

We draw attention to Note 2b in the half-year 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 2b indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers

Julian McCarthy
Partner

Adelaide
12 September 2025