Sustainability Report 2025

Geoalcali
a Highfield Resources Company

Highfield Resources

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Chief Executive Officer's 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 Geoalcali, S.L.U. and Executive Director of Highfield Resources.

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 CO2-e)	Not measured
GHG Emissions Scope 2 (t CO2-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 the Company

Highfield Resources is an ASX listed potash company which is focused on commencing full scale construction of its flagship high margin, low capex Muga Project in Spain having finalised the initial site preparatory work and having received 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. The Company continues to advance the remaining administrative processes required for full project development. 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.

Highfield's potash tenements (Muga-Vipasca, Pintanos, and Sierra del Perdón) are located in the Ebro potash producing basin in Northern Spain, covering an area of around 250km^2

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

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Share Registry

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Level 5, 126 Phillip Street
Sydney NSW 2000
Website: 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

About this Report

This report has been prepared in progressive alignment with the CSRD and the ESRS, while also referencing the GRI Standards (Core option) to ensure international comparability and transparency. The reporting period covers the 2025 financial year (1 January to 31 December 2025). The most recent previous report was published in 2025 (covering the 2024 reporting period), and the Company maintains an annual reporting cycle. There have been no significant changes in reporting compared to the previous year. For any questions regarding this report, please contact: susana.bieberach@geoalcali.com.

Materiality Assessment and Stakeholder Engagement

Due to the temporary suspension of operational activities in 2025, the Company has adopted a proportionate approach to materiality, focusing on key topics aligned with its stage of project development and stakeholder expectations. Stakeholder engagement has been conducted in a manner consistent with the Company's level of activity.

No significant changes to material topics or stakeholder groups were identified compared to the previous reporting period.

Material aspects remain consistent with those identified in 2024:

1. Receipt of necessary permits
2. Supplier engagement
3. Wealth creation
4. Generation of quality employment
5. Project feasibility
6. Water management
7. Waste management
8. Restoration of the area
9. Employee health and safety
10. Health and safety in the community
11. Community involvement
12. Climate change
13. Sustainable development

Stakeholders:

Local communities
Town councils
Suppliers
Government organisations
Non-governmental and local organisations
Investors
Employees
Business associations, Organisations and media

GRI Index

GRI Standard	COP[1]/SDG[2]/ESRS[3]	Disclosure	Page number(s) and/or URL(s)	Status
GRI 101 : Foundation				
General Disclosure				
GRI 102: General Disclosures	ESRS 2 – BP-1	102-1 Name of the organization	Page 10	reported
	ESRS 2 – SBM-1	102-2 Activities, brands, products and services	Page 10	reported
	ESRS 2 – BP-1	102-3 Location of headquarters	Page 10	reported
	ESRS 2 – SBM-1	102-4 Location of operations	Page 10	reported
	ESRS 2 – GOV-1	102-5 Ownership and legal form	Page 10	reported
	ESRS 2 – SBM-1	102-6 Markets served	None of Highfield projects are currently under production. The Company does not serve any market with product or service	None of Highfield projects are currently under production. The Company does not serve any market with product or service
	ESRS 2 – SBM-1	102-7 Scale of the organization	Page 10	reported
	ESRS S1	102-8 Information on employees and other workers	Page 9	reported
	ESRS 2 – SBM-1 / S2	102-9 Supply chain	None of Highfield projects are currently under production. The Company does not serve any market with product or service	None of Highfield projects are currently under production. The Company does not serve any market with product or service

ESRS 2 – SBM-1	102-10 Significant changes to the organization and its supply chain	None of Highfield projects are currently under production. The Company does not serve any market with product or service	None of Highfield projects are currently under production. The Company does not serve any market with product or service
ESRS 2 – IRO-1 / E1	102-11 Precautionary Principle or approach	Pages 2 -3	reported
ALL SDG, ESRS 2 – GOV-2	102-12 External initiatives	Pages 5 - 8	reported
SDG 17, ESRS 2 – GOV-2 SDG 4	102-13 Membership of associations	The Company remained a member of one mining industry association during the reporting period.	reported
CEO COP Statement, ESRS 2 – GOV-1	102-14 Statement from senior decision-maker	Page 2	reported
ESRS 2 – GOV-1	102-16 Values, principles, standards and norms of behaviour	Page 9	reported
ESRS 2 – SBM-2	102-18 Governance structure	Page 9	reported
ESRS 2 – SBM-2	102-40 List of stakeholder groups	Page 12 and 13	reported
ESRS S1	102-41 Collective bargaining agreements	100% of the company's employees are covered by the applicable national collective bargaining agreement for engineering and technical services companies in Spain.	reported
ESRS 2 – SBM-2	102-42 Identifying and selecting stakeholders	Pages 5-8 and 12 -13	reported
ESRS 2 – SBM-2	102-43 Approach to stakeholder engagement	Pages 5-8 and 12 -13	reported
ALL SDG, ESRS 2 – SBM-3	102-44 Key topics and concerns raised	Page 12	reported

ESRS 2 – BP-1	102-45 Entities included in the consolidated financial statements	Visit latest Annual Report 2025	reported
ESRS 2 – IRO-1	102-46 Defining report content and topic Boundaries	Page 13	reported
All SDG	102-47 List of material topics	Page 12	reported
ESRS 2 – BP-2	102-48 Restatements of information	No restatements	reported
ESRS 2 – BP-2	102-49 Changes in reporting	Page 12	reported
ESRS 2 – BP-1	102-50 Reporting Period	Page 12	reported
ESRS 2 – BP-1	102-51 Date of most recent report	Page 12	reported
ESRS 2 – BP-1	102-52 Reporting cycle	Page 12	reported
ESRS 2 – GOV-2	102-53 Contact point for questions regarding the report	Page 12	reported
ESRS 2 – BP-2	102-54 Claims of reporting in accordance with the GRI Standards	Page 12	reported
	102-55 GRI content index	Page 13	reported
ESRS 2 – GOV-5	102-56 External assurance	This report has not been externally assured	reported

Material topics					
Report Topic / Section	**COP /SDG**	**ESRS Reference**	**GRI Reference**	Page number(s) and/or URL(s)	**How Addressed in Report**
CEO Message & Strategic Commitment	COP HR, COP L, COP E, COP AC; SDG 16, SDG 17	ESRS 2 (GOV-1, GOV-2, SBM-1)	GRI 102 - 14	Page 2	CEO statement outlining sustainability strategy, governance discipline and long-term commitment.
Business Model & Strategic Autonomy	COP HR, COP L, COP E, COP AC; SDG 8, SDG 9, SDG 12, SDG 17	ESRS 2 (SBM-1, SBM-2)	GRI 102 - 6	Pages 2 - 5	Potash framed as strategic product for food security and EU resilience.
Judicial Pause & Regulatory Compliance	COP AC; SDG 16	ESRS G1	GRI 102 -11/ 102 - 15	Page 9	Disclosure of legal process, respect for due process and capital prudence.
Double Materiality & Risk Framework	COP HR, COP L, COP E, COP AC; SDG 16, SDG 17	ESRS 2 (IRO-1, IRO-2, GOV-5)	GRI 102 -12	Pages 2 - 9	Identification of geopolitical, regulatory, climate and social risks.
Climate Adaptation Contribution	COP E; SDG 13, SDG 2, SDG 12	ESRS E1	GRI 201-2	Pages 3 - 4	Potash improves agricultural resilience and climate stress response.
Energy Consumption	COP E; SDG 7, SDG 12, SDG 13	ESRS E1	GRI 302-1	Page 5	2025 energy use disclosed (0 GJ due to pause).

GHG Emissions (Scope 1 & 2)	COP E; SDG 13	ESRS E1	GRI 305-1, 305-2	Page 5	Not measured in 2025; operational inactivity explained.
Pollution Prevention & Zero Residue Mine	COP E; SDG 3, SDG 6, SDG 12, SDG 15	ESRS E2	GRI 306	Pages 4 - 5	Underground backfilling and minimized surface waste model.
Water Use & Discharge	COP E; SDG 6, SDG 12, SDG 15	ESRS E3	GRI 303-3, 303-4	Page 5	No water abstraction/discharge during reporting year.
Biodiversity & Land Use	COP E; SDG 15, SDG 6, SDG 13	ESRS E4	GRI 304	Pages 4 - 5	No additional land disturbance; reduced expansion pressure narrative.
Circular Economy & Nutrient Efficiency	COP E; SDG 12, SDG 2, SDG 9	ESRS E5	GRI 306 / 301	Pages 4 - 5	Precision fertilisation and resource efficiency framing.
Workforce Composition	COP L, COP HR; SDG 5, SDG 8, SDG 10	ESRS S1	GRI 102 -7	Page 8	Employees: 16; gender breakdown disclosed.
Occupational Health & Safety	COP L, COP HR; SDG 3, SDG 8	ESRS S1	GRI 403-9	Page 8	Zero fatalities, zero LTIs, zero TRIs.
Community Engagement	COP HR; SDG 11, SDG 16, SDG 17	ESRS S3	GRI 413-1	Pages 4 -5	Stakeholder meetings, breakfast with mayors, ongoing dialogue.

Community Investment	COP HR; SDG 1, SDG 4, SDG 8, SDG 11, SDG 17	ESRS S3	GRI 203-1	Page 8	€16,900 community contribution disclosed.
Local Economic Impact	COP HR, COP L; SDG 8, SDG 9, SDG 10, SDG 11	ESRS S3	GRI 203-2	Page 8	€271,572 spend on local suppliers; rural resilience narrative.
Food Security & End Users	COP HR, COP E; SDG 2, SDG 3, SDG 12	ESRS S4	GRI 416 (indirect)	Pages 4 - 5	Contribution to food system stability and agricultural productivity.
Public Policy & Institutional Dialogue	COP AC; SDG 16, SDG 17	ESRS G1	GRI 415	Pages 4 - 5	Public institutional engagement described; no political funding.
Consolidated ESG Snapshot	COP HR, COP L, COP E, COP AC; SDG 3, SDG 5, SDG 6, SDG 7, SDG 8, SDG 12, SDG 13, SDG 15, SDG 16, SDG 17	ESRS 2 (Metrics & Targets)	GRI 102 - 7/ 102 - 8	Pages 5 - 9	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.

[1]COP Communication on Progress:

COP HR – Disclosure on Human Rights Principles
COP L – Disclosure on Labour Principles
COP E – Disclosure on Environmental Principles
COP AC – Disclosure on Anti- Corruption Principles

[2]SDG Sustainability Development Goal:

SDG 1 – No Poverty
SDG 2 – Zero Hunger
SDG 3 – Good Health and Well-Being
SDG 4 Quality Education
SDG 5 Gender Equality
SDG 6 Clean Water and Sanitation
SDG 7 Affordable and Clean Energy
SDG 8- Decent work and Economic Growth
SDG 9- Industry, Innovation and Infrastructure
SGD 10 Reduce Inequalities
SGD 11 Sustainable Cities and Communities
SDG 12 Responsible Consumption and Production
SDG 13 Climate Action
SDG 14 Life Below Water
SDG 15 Life on Land
SGD 16 Peace, Justice and Institutions
SGD 17 Partnership for the Goals

[3] ESRS

ESRS 1 General requirements
ESRS 2 General disclosures
E1 Climate change
E2 Pollution
E3 Water and marine resources
E4 Biodiversity and ecosystems
E5 Resource use and circular economy
S1 Own Workforce
S2 Workers in the values chain
S3 Affected communities
S4 Consumers and end-users
G1 Business conduct