ASX Release
10 October 2018

UPDATED MINERAL RESOURCE ESTIMATE FOR THE MUGA POTASH PROJECT

Highfield Resources (ASX: HFR) ("Highfield" or "the Company") is pleased to provide an updated Mineral Resource Estimate for the Company's flagship Muga Potash Project ("Muga" or "the Project").

Highlights

- Measured and Indicated Mineral Resource of 234.75 million tonnes at 12.3% K_2O as described in Table 1 below.
- Inferred Mineral Resource of 32.6 million tonnes at 12.9% K_2O.
- Mineral Resource Estimate has not materially changed from the last Mineral Resource Statement, see Table 2 below for a comparison of the new Mineral Resource compared to the November 2015 Mineral Resource.
- The Mineral Resource Estimate provides a solid basis for a new Ore Reserve Statement which is due in Q4 2018

Updated Mineral Resource Estimate for Muga Project

This update relates to the new Mineral Resource Statement authored by SRK, as reported in Table 1. Changes from the previous statement released in November 2015, which was authored by CRN, are reported in Table 2. The overall Mineral Resource tonnage has increased by 3.7 Mt to 267.4 Mt. The grade of the Mineral Resource has decreased from 13.5% K_2O to 12.4% K_2O. The main reason for this is the use of a lower cut-off grade for the 2018 Mineral Resource Estimate of 8% overall K_2O instead of 8% K_2O-in-sylvinite. Since the completion of the previous Mineral Resource Estimate, the geological model has been updated to incorporate two additional drill holes in the centre of the deposit, namely J15-02 and R-03, see Figures 1, 2 and 3.

The updated geological model was created in Strat 3D and Studio RM software, property of Datamine. Variograms were updated and successfully modelled for the main horizons and these parameters used to inform the grade estimation which was completed using Ordinary Kriging ("OK") for all major horizons, rather than Inverse Distance Weighting Cubed as per the previous estimate. The estimated block model was classified by SRK into Measured, Indicated and Inferred Mineral Resources, in accordance with the guidelines of the JORC Code. Please refer to Appendix 1 for more detail.

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Table 1: Audited SRK Mineral Resource Statement for the Muga Potash Project Deposit

Classification	Horizon	Density (g/cm^3)	Tonnage (Mt)	% K_2O	% MgO	% Na_2O	% Insolubles	True thickness (m)
Measured	P0	2.1	10.29	9.8	0.2	25.1	23.3	2.3
	PA	2.0	18.22	11.8	0.8	24.2	20.0	2.0
	PB	2.1	38.14	13.1	0.2	27.3	18.4	4.1
	P1	2.2	15.36	12.3	0.1	31.5	16.7	3.5
	P2	2.2	9.76	13.7	0.1	19.8	11.9	2.1
	P4							
Sub-total Measured		2.1	91.77	12.4	0.3	26.3	18.3	
Indicated	P0	2.1	36.42	10.3	0.5	27.8	27.6	4.3
	PA	1.9	15.00	12.1	2.0	22.7	21.2	2.2
	PB	2.1	25.61	12.1	0.3	27.8	20.3	1.7
	P1	2.2	43.81	13.3	0.1	30.8	17.8	5.0
	P2	2.2	22.14	13.4	0.1	21.5	13.4	4.4
	P4							
Sub-total Indicated		2.1	142.98	12.2	0.4	27.2	20.4	
Measured + Indicated	P0	2.1	46.71	10.2	0.4	27.2	26.7	3.9
	PA	2.0	33.22	11.9	1.3	23.5	20.5	2.1
	PB	2.1	63.75	12.7	0.2	27.5	19.2	3.1
	P1	2.2	59.17	13	0.1	31	17.5	4.6
	P2	2.2	31.9	13.5	0.1	21	12.9	3.7
	P4							
Sub-total Measured + Indicated		2.1	234.75	12.3	0.4	26.9	19.6	
Inferred	P0	2.1	2.49	10.1	0.5	27.9	29.4	4.0
	PA	1.9	0.84	11.8	1.7	23.4	21.5	1.3
	PB	2.1	2.96	11.8	0.2	28	20	1.4
	P1	2.2	7.19	12.7	0.1	29.9	17	2.8
	P2	2.2	10.71	13.5	0.1	20.6	13.3	3.0
	P4	2.2	8.41	13.7	0.2	31.7	17.1	1.9
Sub-Total Inferred		2.2	32.6	12.9	0.2	26.8	17.1	
Grand Total	P0	2.1	49.2	10.2	0.4	27.2	26.8	3.9
	PA	2.0	34.06	11.9	1.4	23.5	20.6	2.1
	PB	2.1	66.71	12.7	0.2	27.5	19.2	3.1
	P1	2.2	66.36	13	0.1	30.9	17.5	4.4
	P2	2.2	42.61	13.5	0.1	20.9	13	3.5
	P4	2.2	8.41	13.7	0.2	31.7	17.1	1.9
Total		2.1	267.35	12.4	0.4	26.9	19.3	

*Reported above a cut-off grade of 8% K_2O and a minimum mining thickness (where horizons will be mined separatly) of 1.5 m
*Insolubles refers to clays, gypsum and sulphates
*Numbers have been rounded to reflect the relative level of accuracy and as such totals may include rounding discrepancies

COMPETENT PERSONS STATEMENT FOR MUGA MINERAL RESOURCES

This update was prepared by Mr. Peter Albert, Managing Director of Highfield Resources. The information in this update that relates to Ore Reserves, Mineral Resources, Exploration Results and Exploration Targets is based on information prepared by Ms Anna Fardell. Senior Consultant at SRK Consulting (UK) Limited, and Mr Tim Lucks Principal Consultant at SRK Consulting (UK) Limited

Ms Anna Fardell is a Resource Geologist employed by SRK Consulting (UK) Limited, and has at least five years' experience in estimating and reporting Mineral Resources relevant to the style of mineralisation and type of deposit described herein. Ms Fardell is a registered member of the Australian Institute of Geoscientists (6555) and considered a Competent Person (CP) under the definitions and standards described in the JORC Code 2012. Ms Fardell takes responsibility for the Mineral Resource Statement presented here.

Ms Anna Fardell consents to the inclusion in this update of the matters based on their information in the form and context in which it appears.

Table 2: Muga Potash Project Deposit Mineral Resource Estimate October 2018 compared to Mineral Resource Estimate of November 2015 as authored by CRN and now superseded.

	2018 Mineral Resource Statement				17 November 2015			
	Tonnes In Place (Mt)	Grade K_2O (%)	MgO (%)	Na_2O (%)	Tonnes In Place (Mt)	Grade K_2O (%)	MgO (%)	Na_2O (%)
Measured	91.8	12.40%	0.3%	26.3%	75.1	13.60%	0.4%	29.6%
Indicated	143.0	12.21%	0.4%	27.2%	149.4	13.30%	0.3%	29.4%
Total Measured & Indicated	**234.8**	**12.28%**	**0.4%**	**26.9%**	**224.6**	**13.40%**	**0.4%**	**29.5%**
Inferred	32.6	12.92%	0.2%	26.8%	39.2	13.80%	0.4%	29.7%
Total	**267.4**	**12.36%**	**0.4%**	**26.9%**	**263.7**	**13.50%**	**0.4%**	**29.5%**

Figure 1: General footprint of updated Muga Mineral Resource showing last two exploration drill holes completed since 2015.

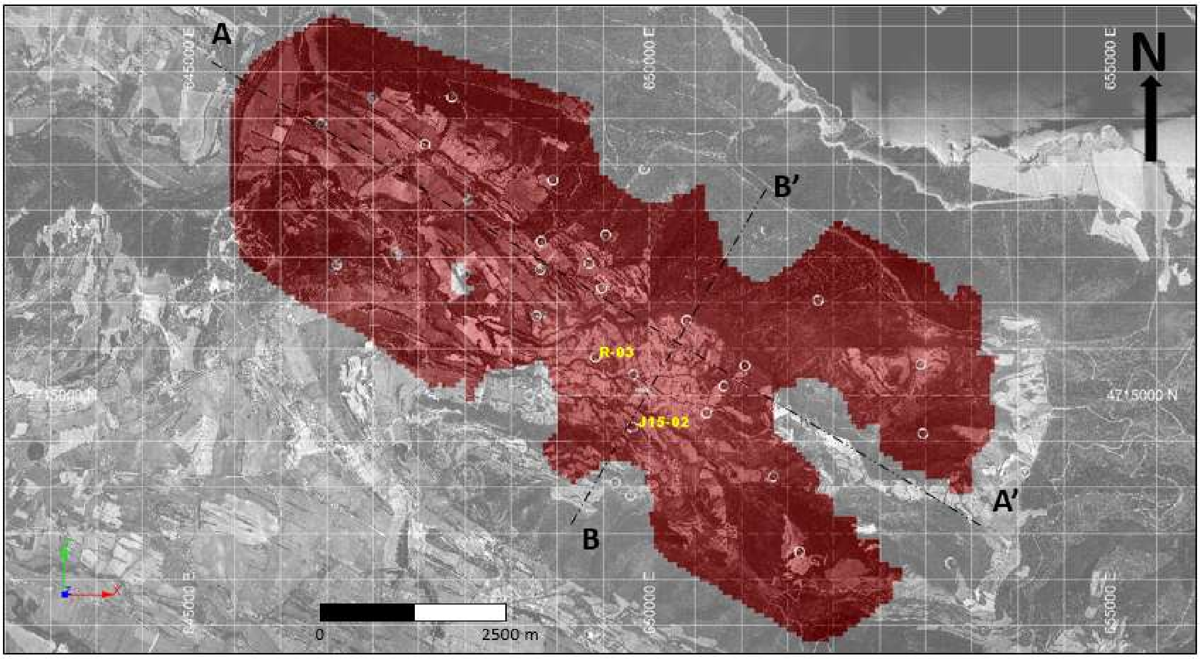


Figure 2: A-A' NW-SE Cross-profile along the mineral deposit. Vertical scale exaggerated 1:3.

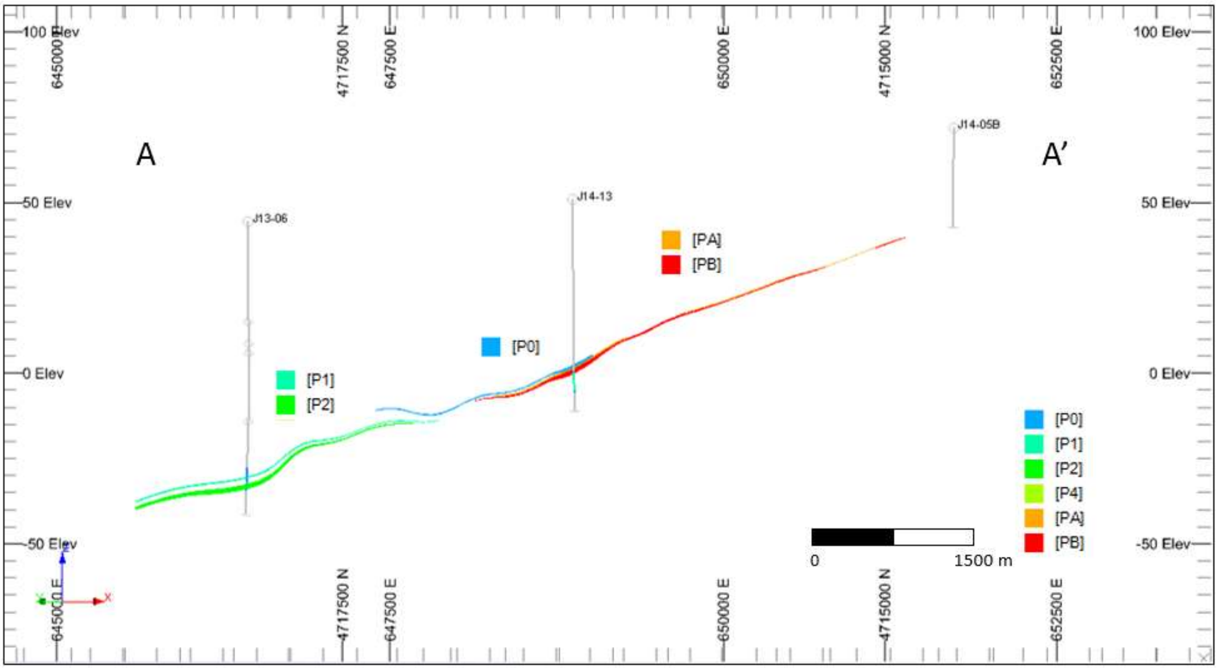
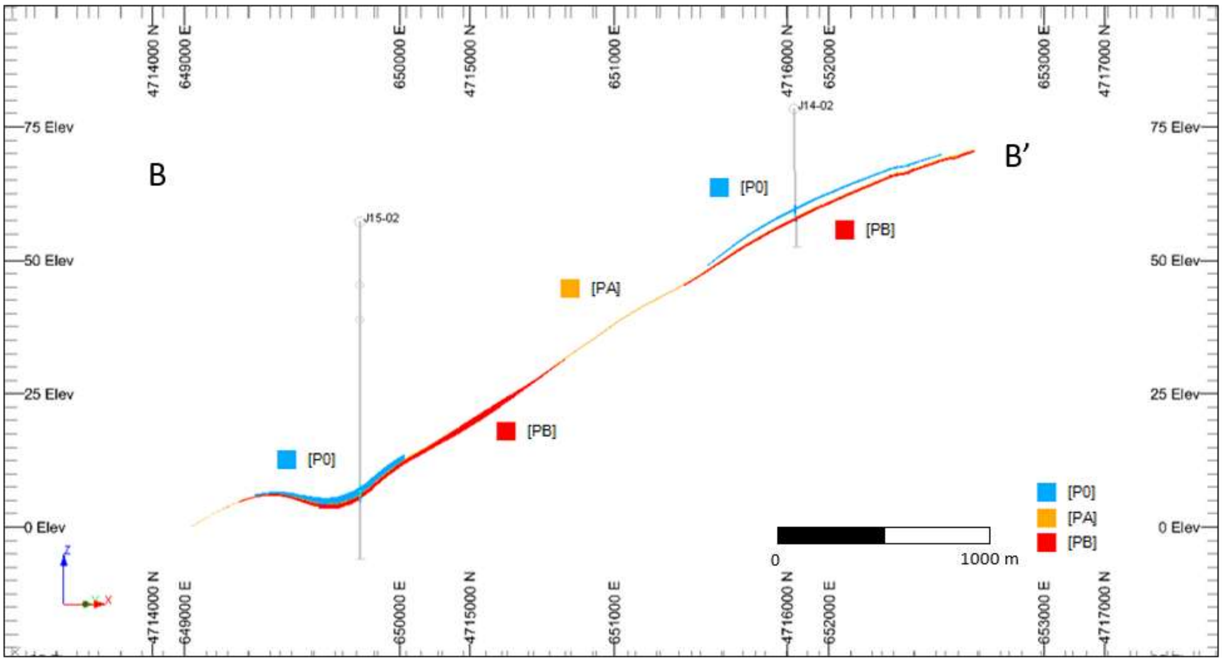


Figure 3: B-B' SW-NE Cross-profile along the mineral deposit nearby J15-02. Vertical scale exaggerated 1:3.



Peter Albert, Managing Director, commented: *"We are delighted to report that the updated Mineral Resource Estimate developed by Highfield Resources geologists under the guidance and review of SRK, using different and improved modelling techniques, has yielded a Mineral Resource Estimate not materially different to the Mineral Resource Estimate released in 2015.*

Ore Reserves are currently being developed from these Mineral Resources and are planned to be available in Q4 2018. In the meantime, these Mineral Resources and other Mineral Resources from abutting tenements plus recent metallurgical testwork results, an optimised mine plan and process plant design, as well as market conditions for potash will underpin a Project Update statement which is being finalised and will be released shortly."

For more information:

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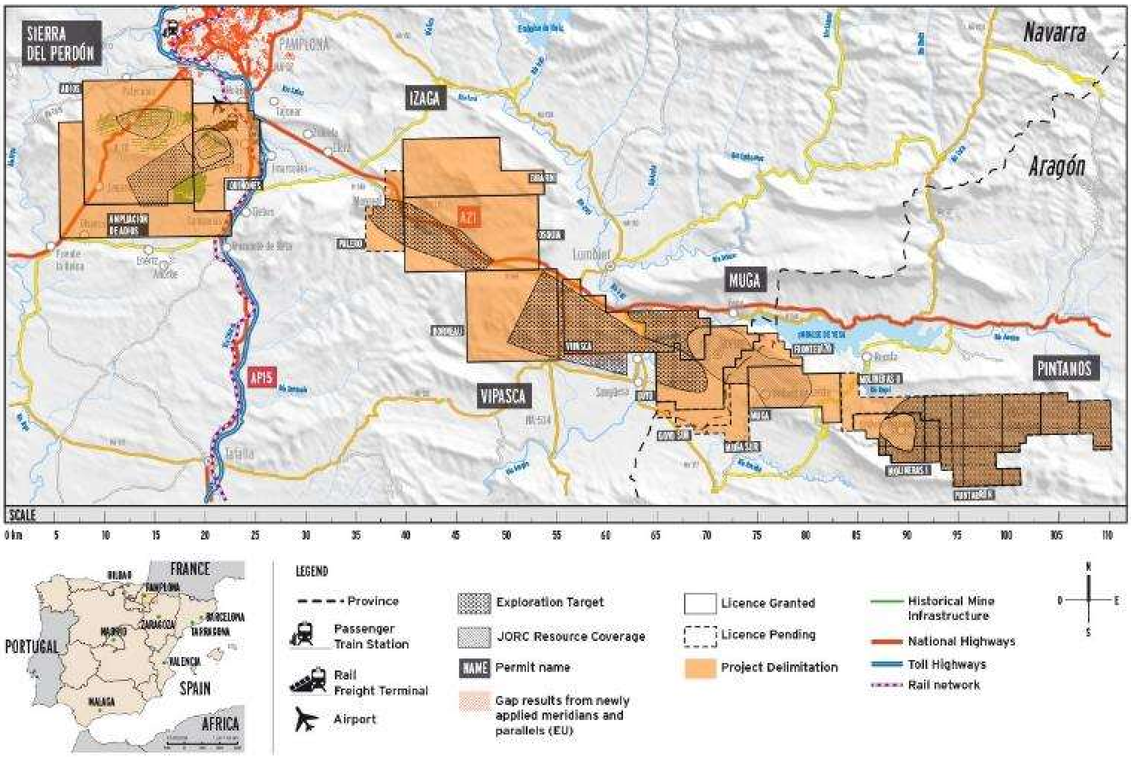
About Highfield Resources

Highfield Resources is an ASX listed potash company with five 100% owned projects located in Spain.

Highfield's Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón potash projects are located in the Ebro potash producing basin in Northern Spain, covering a project area of more than 550km^2.

Highfield is awaiting the granting of a positive environmental permit, the award of the mining concession and other permits which will enable it to commence construction of the Muga Mine.

Figure 4: Location of Highfield´s Muga, Vipasca, Pintanos, Izaga and Sierra del Perdón Projects in Northern Spain*



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

COMPETENT PERSONS STATEMENT FOR MINERAL RESOURCES OTHER THAN MUGA PROJECT.

This update was prepared by Mr. Peter Albert, Managing Director of Highfield Resources. The information in this update that relates to Ore Reserves, Mineral Resources, Exploration Results and Exploration Targets is based on information prepared by Mr José Antonio Zuazo Osinaga, Technical Director of CRN, S.A.; and Mr Manuel Jesús Gonzalez Roldan, Geologist of CRN, S.A.

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

Mr José Antonio Zuazo Osinaga has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as CP as defined in the 2012 edition of the JORC Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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

NOTE: MUGA PROJECT MINERAL RESOURCES ARE COVERED BY THE COMPETENT PERSONS STATEMENT ON PAGE 2 UNDER TABLE 1

Highfield Resources

Appendix 1

Muga Mineral Resource Review

SRK Consulting

10/10/2018

MUGA MINERAL RESOURCE ESTIMATE REVIEW, SPAIN

Prepared For

GEOALCALI S.L.

Report Prepared by

SRK Consulting (UK) Limited
UK30007

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Date:		October, 2018
Project Number:		UK30007
SRK Project Director:	Mike Armitage	Corporate Consultant, Resource Geology
SRK Project Manager:	Anna Fardell	Senior Consultant, Resource Geology
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MUGA MINERAL RESOURCE ESTIMATE REVIEW, SPAIN

1 INTRODUCTION

1.1 Background

SRK Consulting (UK) Limited ("SRK") have been commissioned by Geoalcali S.L ("Geoalcali" or the "Company") to review and audit (the "Audit") the updated Mineral Resource Estimate ("MRE") for the Muga Project ("Muga" or the "Project").

This document forms an addendum to 2018 Mineral Resource Update Report ("2018 Technical Report") produced by the Company. As such this document should be read in conjunction with: the 2018 Technical Report which contains the details of the underlying data, methodologies and sensitivities supporting the MRE; and, Table 1 included as Appendix A to this document.

The Mineral Resource Estimate audited herein has been produced by Geoalcali Resource Geologist Lucia Martin and reviewed by the SRK Competent Person ("CP"), Anna Fardell.

1.2 Reporting Standard

The Reporting Standard adopted for reporting of the Mineral Resource Statements presented herein is that defined by the terms and definitions given in "The 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia" (the "JORC Code"). SRK considers that the JORC Code has been aligned with the Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") reporting template.

1.3 Scope of Work

The scope of work of work completed under this commission can be summarised as follows:

- Review of the Mineral Resource estimation process followed by the Company for the Project;
- Input in to the Mineral Resource classification approach applied to the MRE;
- Presentation of the Mineral Resource statement;
- Review the Muga Potash 2018 Technical Report and accompanying JORC Table 1; and,
- Preparation of an accompanying report summarising the Mineral Resource statement and JORC Table 1.

The scope of this mandate has comprised a "Review" and not "Authoring" process whereby the following definitions apply:

- Review: Review and where appropriate modification of information provided by the Company,
- Authoring: Recourse to fundamental re-calculation of all underlying information which seeks to both refine, and in some instances replace, that already completed during the prior technical studies.

1.4 Work Completed

The work completed is aligned with the scope of work presented in Section 1.3.

In order to support the declaration of Mineral Resources, a site visit to the Project was completed by the Competent Person in July 2017.

1.5 Limitations, Reliance on Information, Declaration, Consent, Copyright and Cautionary Statements

This report is dependent upon technical, financial and legal input. In respect of the technical information and fundamental base data (geological information, assay information) as provided to and taken in good faith by SRK, and other than where expressly stated, this has not been independently verified.

SRK's opinion is based on information provided by the Company throughout the course of SRK's review, which in turn reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. The Mineral Resource statement is reported as of 30 June 2018.

SRK believes that its opinion must be considered as a whole in conjunction with the 2018 Technical Report, and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in this review. The preparation of a technical report is a complex process and does not lend itself to partial analysis or summary.

SRK has no obligation or undertaking to advise any person of any development in relation to the Mineral Assets which comes to its attention after the date of this CPR or to review, revise or update this document or opinion in respect of any such development occurring after the date of this report.

This report includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur, SRK does not consider them to be material.

1.5.1 Declaration

SRK will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of any transaction and SRK will receive no other benefit for the preparation of this report. SRK does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Mineral Assets.

SRK does not have, at the date of this report, and has not ever had, any shareholding in or other relationship with the Company, and consequently considers itself to be independent of the Company.

1.5.2 Consent and Copyright

Copyright of all text and other matters in this document, including the manner of presentation, is the exclusive property of SRK. It is a criminal offence to publish this document or any part of the document under a different cover, or to reproduce and/or use, without written consent, any technical procedure and/or technique contained in this document. The intellectual property reflected in the contents resides with SRK and shall not be used for any activity that does not involve SRK, without the written consent of SRK.

1.6 Qualifications of Consultants

1.6.1 General Introduction

SRK is an associate company of the international group holding company SRK Consulting (Global) Limited. The SRK Group comprises over 1,400 staff, offering expertise in a wide range of resource engineering disciplines with 45 offices located on six continents. The SRK Group's independence is ensured by the fact that it holds no equity in any project. This permits the SRK Group to provide its clients with conflict-free and objective recommendations on crucial judgement issues.

The SRK Group has a demonstrated track record in undertaking independent assessments of resources and reserves, project evaluations and audits, Mineral Experts' Reports, Competent Persons' Reports, Mineral Resource and Ore Reserve Compliance Audits, Independent Valuation Reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide.

The SRK Group has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs. SRK also has specific experience in commissions of this nature.

1.6.2 Report Responsibility

The Mineral Resource estimate presented in this report was produced by Ms Lucia Martin of Geoalcali S.L under the guidance and review of Ms Anna Fardell, the Competent Person who is a member of the Australian Institute for Geoscientists (member number 6555).

Ms Fardell is a full-time employee of SRK and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she has undertaken to qualify as a Competent Person as defined by the JORC Code.

2 MINERAL RESOURCE UPDATE

2.1 Update Summary

The below section provides a summary of the changes that have occurred to the Mineral Resource estimate subsequent to the previous estimate dated November 2015 and authored by Consultores Independientes en Gestion de Recursos Naturales S.A ("CRN").

Since the completion of the previous Mineral Resource estimate, the geological model has been updated to incorporate two additional drillholes in the centre of the deposit, namely J15-02 and R-03. The updated geological model was created in Strat 3D and Studio RM property of Datamine. The drillhole composites used in previous estimates were unchanged except for the addition of the two drillholes mentioned above. Variograms were updated and successfully modelled for the main horizons and these parameters used to inform the grade estimation which was completed using Ordinary Kriging ("OK") for all major horizons, rather than Inverse Distance Weighting Cubed as per the previous estimate. In the case of horizon P4, there were insufficient samples to support an OK estimate and therefore the average composite grade from the drillholes was assigned to this horizon.

The densities applied to the potash horizons in the model related to the average values from the raw density measurements obtained for each horizon, except in the case of horizon PA where a regression between % MgO and density was applied. The regression formula was used to inform the density for the blocks in the model from the estimated % MgO values.

The estimated block model was classified by SRK into Measured, Indicated and Inferred Mineral Resources, in accordance with the guidelines of the JORC Code. The classification of the Mineral Resources applied considered the data quality and data quality as well as the geological and grade continuity and the quality of the estimate, where this is detailed further in Section 2.2 below.

2.2 Mineral Resource Classification

The Mineral Resources reported herein for Muga have been classified according to the following criteria:

- the quality and quantity of data used in the estimation;
- the geological knowledge and understanding, focusing on geological and grade continuity above the 8% K_2O reporting cut-off grade;
- the quality of the geostatistics and interpolated block model; and
- SRK's experience with other deposits of similar style.

Quality of Data

SRK considers that the round robin results on Geoalcali's standards have allowed significant confidence to be added to the database. The quality control results and the procedures for drilling, logging and sampling followed on site have produced reliable and consistent data from the recent drilling campaign. Very few historical drillholes, with more limited information have been used in the modelling and estimation and as such the influence of the recent data is much higher in the estimate. The recently completed drilling has confirmed the continuity of grade and geology seen in the historical drillholes which provides confidence that they are suitable for use in the subsequent estimate. SRK considers the quality of the data used in the estimation allows for reporting of Mineral Resources in the Measured, Indicated and Inferred confidence levels.

Quantity of Data

The deposit has been extensively drilled historically, and recently to an irregular grid of between 500 and 1,500 m with the closest drilling in the central area of the deposit.

Geological Knowledge and understanding / geological and grade continuity

The geology of the potash horizons has shown to be moderately simple throughout the basin, becoming more complex toward to basin edges. Drillholes have shown steeper local dips of up to 40° and possible faults which are not able to be defined with the current information on a local scale. It is highly unlikely that further drilling or other investigation methods such as seismic surveys will delineate these to any high level of confidence before commencement of mining, and therefore these have been accounted for when considering the classification. In general, the potash horizons are shown to be continuous geologically above a cut-off grade of 8% K_2O when correlated between the drillholes. Minor grade variations occur above 8% K_2O. These variations are defined and reflected in the model to a sufficient level of confidence. As such, the highest level of classification can be applied to the Mineral Resources within the well drilled areas.

Quality of Geostatistics and Grade Interpolation

Geostatistical analysis produced variograms that could be modelled and reflect the expected continuity within the deposit given the sample spacing relative to the basin extents. The resultant block model validates well when visually and statistically compared to the input composite data. The application of Ordinary Kriging utilising well modelled variograms gives confidence to the local grade estimates especially in well drilled areas where the samples are spaced within the range of the variograms. With respect to the geostatistical analysis and grade interpolation, SRK considers the estimates to be of sufficient quality for the highest classification to be applied in the well drilled areas.

Mineral Resource Extent

The Mineral Resource is limited to an extrapolation of 1,000 m past the last drillhole where there is no geological information, such as the basin bounding faults or barren drillholes which limit the existence of potash. The potash has been well constrained by the current drilling and geophysical studies although it remains open at depth to the west.

2.2.1 Mineral Resource Reporting Criteria

Measured Mineral Resources in the Muga potash deposit are classified as well drilled areas (drill spacing less than 1,000 m) which show the simplest geology and most consistent grade. The classification is extended up to 800 m beyond the last drillhole, dependant on the geological setting. These areas are estimated with the maximum number of samples and show good visual and statistical reconciliation against the input sample data.

Indicated Mineral Resources are classified as more sparsely drilled areas, up to a drill spacing of 1,300 m, in areas of simple or moderate geological complexity and grade variability. The areas must also visually reconcile against the input data and are extended up to 800 m beyond the last drillhole.

Inferred Mineral Resources represent areas on the periphery of the basin where there is sparse information and less reliable grade estimates. These areas are limited to an extrapolation distance of 1,000 m past the last potash bearing drillhole and are limited geologically by fault boundaries. Inferred Resources are also classified where there is a single intersection within the potash horizon.

3 MINERAL RESOURCE STATEMENT

In order to report Mineral Resources in accordance with the JORC Code, it must be demonstrated that the mineralisation has the potential for eventual economic extraction. To assess this consideration, SRK has been provided with the likely mining method and associated recoveries and costs by the Company.

The upper horizons, P0 to PB are likely to be mined in a continuous sequence as there is very little interburden between them. In this instance the minimum thickness of the total unit P0, PA and PB has been assessed to ensure thinner central horizons are not excluded. A minimum thickness of 4 m has been applied to this combined package of horizons. In other areas where the horizons separate and cannot be mined together a minimum mining thickness of 1.5 m has been applied on the assumption the proposed equipment can be selective to 1.7 m. In addition, a cut-off calculation was derived to support the reporting of material above 8% K_2O. The horizons were then visually assessed to delineate contiguous areas above cut-off and ensure they were still mining targets. It is assumed at this stage that the high levels of MgO seen in horizon PA could be managed through blending with adjacent horizons.

The Company has sourced technical and economic parameters from the historical 2015 Feasibility Study performed by Geoalcali and Agapito Associates Inc. The assumed parameters include processing recovery, mining and processing costs per tonne run of mine, and G&A, logistics to port and freight costs per tonne Muriate of Potash ("MOP"). A commodity price of USD 313/t MOP has been assumed, based on the Vancouver FOB spot price with a 30% mark-up and adjustment for the freight costs to Spain (taken from the 2015 Feasibility Study Marketing Report) as this is the assumed point of sale, and mineral royalties have been considered. Based on the input parameters stated the cut-off grade calculated results in a value 4% K_2O. However, a higher cut-off grade of 8% K_2O has been used to constrain the Mineral Resource.

SRK has reviewed the input parameters and the cut-off grade calculation, alongside the technical reasoning behind the proposed production scenario, as well as the sensitivity of the COG to operating costs and a contingency and is satisfied that these are sufficient to support the reporting of a Mineral Resource and the requirement that it should have reasonable potential for eventual economic extraction.

SRK notes that the assumptions and technical and economic parameters will change as further technical work is undertaken and the Feasibility Study is updated and therefore may be subject to change as the Project develops.

In SRK's opinion, the Project has been explored and sampled using appropriate methodologies and at sufficient spacing to support the estimation of Measured, Indicated and Inferred Mineral Resources in accordance with the guidelines of the JORC Code.

The SRK Mineral Resource Statement is shown in Table 3-1. The extents of the Mineral Resource occur between 180 m and 1,400 m below surface. The Mineral Resource is contained entirely within the Investigation and Mining Permits held by the Company.

The Mineral Resource Statement was produced in June 2018 and based on the information available at that time. The estimate was produced by Ms Lucia Martin of Geoalcali S.L under the guidance and review of Ms Anna Fardell, the Competent Person who is a member of the Australian Institute for Geoscientists (member number 6555).

Ms Fardell is a full-time employee of SRK and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she has undertaken to qualify as a Competent Person as defined by the JORC Code.

Table 3-1: Audited SRK Mineral Resource Statement for the Muga Potash Deposit effective date 30 June 2018

Classification	Horizon	Density (g/cm^3)	Tonnage (Mt)	% K_2O	% MgO	%Na_2O	% Insolubles	True thickness (m)
Measured	P0	2.1	10.29	9.8	0.2	25.1	23.3	2.3
	PA	2.0	18.22	11.8	0.8	24.2	20.0	2.0
	PB	2.1	38.14	13.1	0.2	27.3	18.4	4.1
	P1	2.2	15.36	12.3	0.1	31.5	16.7	3.5
	P2	2.2	9.76	13.7	0.1	19.8	11.9	2.1
	P4							
Sub-total Measured		2.1	91.77	12.4	0.3	26.3	18.3	
Indicated	P0	2.1	36.42	10.3	0.5	27.8	27.6	4.3
	PA	1.9	15.00	12.1	2.0	22.7	21.2	2.2
	PB	2.1	25.61	12.1	0.3	27.8	20.3	1.7
	P1	2.2	43.81	13.3	0.1	30.8	17.8	5.0
	P2	2.2	22.14	13.4	0.1	21.5	13.4	4.4
	P4							
Sub-total Indicated		2.1	142.98	12.2	0.4	27.2	20.4	
Measured + Indicated	P0	2.1	46.71	10.2	0.4	27.2	26.7	3.9
	PA	2.0	33.22	11.9	1.3	23.5	20.5	2.1
	PB	2.1	63.75	12.7	0.2	27.5	19.2	3.1
	P1	2.2	59.17	13	0.1	31	17.5	4.6
	P2	2.2	31.9	13.5	0.1	21	12.9	3.7
	P4							
Sub-total Measured + Indicated		2.1	234.75	12.3	0.4	26.9	19.6	
Inferred	P0	2.1	2.49	10.1	0.5	27.9	29.4	4.0
	PA	1.9	0.84	11.8	1.7	23.4	21.5	1.3
	PB	2.1	2.96	11.8	0.2	28	20	1.4
	P1	2.2	7.19	12.7	0.1	29.9	17	2.8
	P2	2.2	10.71	13.5	0.1	20.6	13.3	3.0
	P4	2.2	8.41	13.7	0.2	31.7	17.1	1.9
Sub-Total Inferred		2.2	32.6	12.9	0.2	26.8	17.1	
Grand Total	P0	2.1	49.2	10.2	0.4	27.2	26.8	3.9
	PA	2.0	34.06	11.9	1.4	23.5	20.6	2.1
	PB	2.1	66.71	12.7	0.2	27.5	19.2	3.1
	P1	2.2	66.36	13	0.1	30.9	17.5	4.4
	P2	2.2	42.61	13.5	0.1	20.9	13	3.5
	P4	2.2	8.41	13.7	0.2	31.7	17.1	1.9
Total		2.1	267.35	12.4	0.4	26.9	19.3	

*Reported above a cut-off grade of 8% K_2O and a minimum mining thickness (where horizons will be mined separatly) of 1.5 m
*Insolubles refers to clays, gypsum and sulphates
*Numbers have been rounded to reflect the relative level of accuracy and as such totals may include rounding discrepancies

3.1 Grade-Tonnage Curve

Figure 3-1 shows the sensitivity to cut-off grade for the Measured and Indicated Mineral Resources that satisfy the minimum mining thickness requirements. All the in-situ Mineral Resources are above 8% K_2O although it is noted that if a 12% K_2O cut-off was used, the average grade would increase to 13.4% and the overall tonnage would decrease by 40% to 139 Mt.

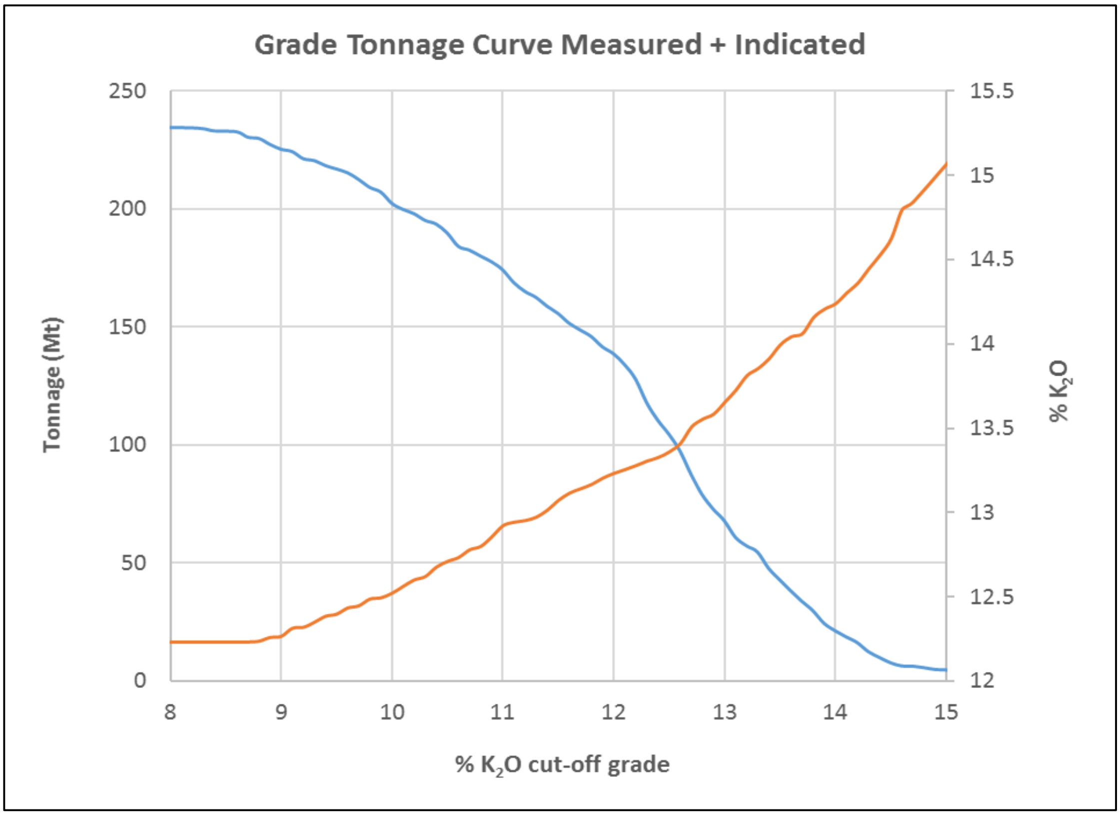

Figure 3-1: Grade-Tonnage Curve for Measured and Indicated Resources that satisfy the minimum mining thickness

3.2 Comparison with Previous Mineral Resource Statement

The updated Mineral Resource Statement for the Muga Project reported herein, has not changed materially from the previous statement released in November 2015, as reported Table 3-2, authored by CRN.

The overall Mineral Resource tonnage has not changed materially, increasing by 3.65 Mt to 267.4 Mt. The grade of the Mineral Resource has decreased from 13.5% K_2O to 12.4% K_2O. The main reason for this is the use of a lower cut-off grade for the 2018 Resource of 8% overall K_2O instead of 8% K_2O-in-sylvinite. However, SRK notes that the 2018 Statement does not apply overall reductions to the tonnages as previously applied by CRN, of 5% for Measured and Indicated categories and of 15% for Inferred category, and in this instance the overall tonnage of the in-situ material before deductions has decreased by 15.13 Mt. SRK does not find it appropriate to apply additional reductions to the tonnages and considers the classification has appropriately defined the risk associated with these Mineral Resources without further deductions. In addition, SRK has not included the lower grade dilution zones UPA, LPA, UP1 and LP1 as Mineral Resources to be consistent with the modelling approach and criteria. These zones are low grade and constitute a negligible tonnage when considered in terms of the overall Mineral Resource, being less than 2%.

The key changes have been the increase in Measured material by 16.67 Mt. This is due to previous Indicated Mineral Resources being reclassified to Measured to create contiguous mining areas characterised by simple geology and consistent grade with a wider drill spacing accepted than previously applied. This has created realistic contiguous mining outlines appropriate for mine planning. The grade has also slightly decreased due to the change in cut-off grade applied and the greater smoothing and use of Ordinary Kriging for grade interpolation into a bigger block size as opposed to Inverse Distance Weighting Cubed. SRK considers this to be a more appropriate method given the amount of sample data available.

The Indicated Mineral Resources have decreased, due to the conversion of these to Measured Mineral Resources and the total of Measured and Indicated Mineral Resources has not changed significantly with a decrease of 5 Mt. However, the Mineral Resource declared for the PA seam has doubled. This is due to the change in mining assumptions for the P0, PA and PB seams where the mining thickness is applied to the group of horizons where they occur stratigraphically close together. This allows thinner parts of the middle PA horizon to be considered as part of the Mineral Resources.

The Inferred Mineral Resource has decreased by 6.6 Mt, around 17%. The main reason for this is the more conservative limit applied to the extrapolation of Inferred Mineral Resources outside of the drilled area, where this estimate restricts the resource to 1,000 m past the last drillhole, instead of the 2,000 m that was previously applied. SRK considers this approach to be justified in light of the complexity of the geology in these areas which are mainly at the basin edges in more complex geological areas which are sparsely drilled.

Table 3-2: Mineral Resource Statement for the Muga Potash Deposit, effective date November 2015 authored by CRN

Classification	Horizon	Tonnage (Mt)	% K_2O	% K_2O-in-sylvinite	% KCL-in-sylvinite	% MgO	% Na_2O	% Insolubles	True Thickness (m)
Measured	P0	16.8	13.6	13.1	20.7	0.5	28.8	17.3	2.7
	UPA	0.2	8.7	8.4	13.2	0.3	28.0	25.7	1.7
	PA	7.6	13.6	12.4	19.6	1.0	28.6	15.4	1.9
	LPA	0.03	9.1	8.8	13.9	0.3	28.7	23.7	1.4
	PB	20.5	13.8	13.3	21.0	0.4	30.1	11.2	2.3
	UP1	1.8	10.5	10.3	16.3	0.1	32.1	12.3	2.5
	P1	17.1	14.0	13.9	21.9	0.1	30.4	11.0	4.3
	LP1	0.7	10.7	10.4	16.4	0.2	31.8	12.8	1.3
	P2	8.5	13.5	13.2	21.0	0.2	28.7	9.9	2.8
	P4	1.9	13.7	13.5	21.3	0.2	31.6	8.8	2.5
Subtotal Measured		75.1	13.6	13.2	20.8	0.4	29.6	12.8	2.7
Indicated	P0	25.0	13.2	12.9	20.4	0.3	28.3	15.9	2.5
	UPA								
	PA	9.0	11.9	9.7	15.4	1.8	25.5	17.4	1.7
	LPA	0.8	8.6	8.3	13.2	0.3	31.1	18.6	2.0
	PB	28.4	13.0	12.4	19.7	0.5	29.7	12.5	1.7
	UP1	1.4	10.4	10.3	16.2	0.1	32.1	12.3	1.6
	P1	51.7	13.6	13.5	21.3	0.1	30.4	11.5	4.0
	LP1	0.2	10.7	10.4	16.4	0.2	31.8	12.8	1.2
	P2	26.4	13.8	13.5	21.4	0.2	28.7	9.4	2.6
	P4	6.4	13.7	13.5	21.3	0.2	31.6	8.8	2.0
Subtotal Indicated		149.4	13.3	12.9	20.4	0.3	29.4	12.3	2.5
Measured + Indicated	P0	41.8	13.4	13.0	20.5	0.4	28.5	16.5	2.6
	UPA	0.2	8.7	8.4	13.2	0.3	28.0	25.7	1.7
	PA	16.6	12.6	10.9	17.3	1.4	26.9	16.5	1.8
	LPA	0.8	8.6	8.3	13.2	0.3	31.0	18.8	2.0
	PB	49.0	13.3	12.8	20.3	0.5	29.9	11.9	1.9
	UP1	3.2	10.5	10.3	16.3	0.1	32.1	12.3	2.0
	P1	68.8	13.7	13.6	21.5	0.1	30.4	11.4	4.0
	LP1	0.9	10.7	10.4	16.4	0.2	31.8	12.8	1.3
	P2	35.0	13.7	13.5	21.3	0.2	28.7	9.5	2.6
	P4	8.3	13.7	13.5	21.3	0.2	31.6	8.8	2.1
Subtotal Measured + Indicated		224.6	13.4	13.0	20.6	0.4	29.5	12.5	2.6
Inferred	P0	4.4	14.2	13.7	21.7	0.4	28.1	18.6	2.5
	UPA								
	PA	2.4	13.3	10.2	16.1	2.7	24.6	16.6	2.1
	LPA								
	PB	3.4	14.2	13.7	21.6	0.4	29.8	14.2	1.3
	UP1								
	P1	15.3	13.6	13.3	21.1	0.2	31.0	11.4	3.8
	LP1								
	P2	10.4	14.0	13.8	21.9	0.2	28.9	9.2	2.6
	P4	3.2	13.7	13.5	21.3	0.2	31.6	8.8	2.1
Subtotal Inferred		39.2	13.8	13.4	21.1	0.4	29.7	12.0	2.6
Grand Total	P0	46.2	13.5	13.0	20.6	0.4	28.4	16.7	2.6
	UPA	0.2	8.7	8.4	13.2	0.3	28.0	25.7	1.7
	PA	19.0	12.7	10.8	17.1	1.6	26.6	16.5	1.8
	LPA	0.8	8.6	8.3	13.2	0.3	31.0	18.8	2.0
	PB	52.4	13.4	12.9	20.4	0.5	29.9	12.1	1.9
	UP1	3.2	10.5	10.3	16.3	0.1	32.1	12.3	2.0
	P1	84.1	13.7	13.5	21.4	0.1	30.5	11.4	4.0
	LP1	0.9	10.7	10.4	16.4	0.2	31.8	12.8	1.3
	P2	45.4	13.8	13.6	21.5	0.2	28.7	9.4	2.6
	P4	11.6	13.7	13.5	21.3	0.2	31.6	8.8	2.1
Total		263.7	13.5	13.0	20.6	0.4	29.5	12.4	2.6

*In-situ Tonnages are reduced by 5% for Measured and Indicated Categories and 15% for Inferred Category

*2.12g/cm^3 was applied as the bulk density to all horizons

*Measured and Indicated Resources are reported inclusive of Proven and Probable Reserves

*Resource Estimate does not include any out of bed dilution

*Resource cut-offs: (a) true thickness ≥1.5m; grade cut-off ≥8% K_2O in Sylvinite, or (b) true thickness <1.5m; grade-thickness cut-off ≥12% K2O-in-sylvinite-m

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APPENDIX

A TECHNICAL APPENDIX: JORC TABLE 1

Table A-1. JORC Checklist of Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• At Muga, 11 historic drillholes were drilled in the 1980s and in early 1991. Detailed lithology logs and analysis on core were completed. • 29 new holes have been drilled and cored since 2013 by Geoalcali Sociedad Limitada (Geoalcali), for a total of 40 holes on the property. • The information on which HFR drilling campaigns was based was obtained from 17 drillholes and two wedged holes (from both Muga and Pintanos projects) drilled in 1990 and earlier. Historical exploration data collected by previous exploration efforts and acquired by the client, as well as publically available record sources, including technical reports and geological reports. The drilling programme complete in 1989-1990 was outlined in detail by E.N. Adaro. The historical programs, in general, were well-documented. • The new drillholes have been geologically logged, photographed, and analysed. 24 out of 29 of the holes were geophysically logged, 18 through the mineralised zone. Following logging and photographing, samples are marked in 0.3 m intervals and numbered for analysis. Core is sawed with hydraulic oil as the lubricating agent; half core is retained and shrink-wrapped, and samples to be analysed are bagged and secured with plastic ties and boxed for shipping to ALS Global (ALS) for crushing, grinding and splitting. Cored samples are analysed by inductively coupled plasma- optical emission spectrometry (ICP-OES) and X-ray fluorescence (XRF) by ALS. Sample preparation is in Seville, Spain and analysis work is completed in Loughrea, County Galway, Ireland. The ALS laboratories used are internationally accredited in the procedures and test work carried out. • The historical holes contributed to a Maiden Inferred Mineral Resource in November 2013 (Agapito Associates Inc.) and to several subsequent updates to the Mineral Resource estimates, including the one declared here. The historical drillholes containing potash mineralization were sampled using a 'grooving' technique. This was completed by sawing a shallow ditch or several cuts in the cores surface. The samples were then submitted for geochemical analyses. 570 geochemical results are available for the 1989-1990 drilling campaign. The results were obtained through the internal POSUSA laboratory and were analysed for KCl, $MgCl_2$, NaCl, insolubles, and clay. The intervals listed for these samples reflect the thickness of the sample as measured in the drill core; however, true thicknesses for the sample intervals is outlined in the historical strip logs to account for structural dip of

Criteria	JORC Code explanation	Commentary
		the intervals. Samples were typically limited to 30 cm or less to maintain good sample resolution. No original analysis results are available for the unknown former drilling programme (prior to 1980s). Results for Javier-3, Vistana, and Nogueras are summarized in the E.N. Adaro report. These drillholes were only analyzed for KCl, and therefore lack results pertaining to $MgCl_2$ (to determine carnallite content) or insolubles. It is unknown if the sample intervals account for true thicknesses based on structural dip or if they are simply reflective of the intervals as seen in drill core. No sample length restrictions are apparent as samples varied in thickness up to 1.74 m. The method of geochemical analyses is currently unknown for both the 1989-1990 drilling campaign and the other historical unknown drilling programme. • An attempt to re-survey historical collar locations was partially successful; however, in many cases the collars could not be located, and therefore were not accurately re-surveyed. Difficulties converting the historical survey results are still noted and some drillholes are plotted with limited confidence. • Geophysical wireline data and historical geological reports are of good quality and appeared to correlate reasonably well with historical assay results.

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (e.g., core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling procedures are unknown from historical Javier holes drilled prior to 1987, including drillholes Javier-2, Javier-3, Vistana, Nogueras, Molinar, and Undués de Lerda. • The drilling programme completed in 1989-1990 was outlined in detail by Empresa Nacional Adaro Investigaciones Mineras (E.N. Adaro 1989–1991). E.N. Adaro, state-owned group tasked with exploration and development of Spain's Mineral Resources, produced detailed reports and "reserve" studies of the Javier-Pintanos area. • Historical drilling was completed with the Mayhew 1500 drill rig from June to August 1989. During this time, JP-1 through JP-4 were completed. Holes were drilled open hole to core point. The tricone bit used for open hole drilling was reduced through stages from 12 1/4-inch to 5 7/8-inch diameter. Upon completion, the hole was abandoned and cemented through the 8 1/2-inch diameter drillhole. Approximately 2,208 m were drilled in Muga, not accounting for some re-drilling in JP-3 and JP-4. For JP-3 and JP-4, the mineralised zone was drilled into and not cored for analysis. Both holes were re-drilled through the salt section to take the appropriate cores. No record of a re-drilled hole is available for JP-4; two sets of analyses were available for JP-3, listed as JP-3 and JP-3D. JP-3D was the re-drilled hole and was completely cored. Limited deviation data are available for JP-1, JP-2, JP-3, JP-3D, and JP-4 for the lower half/salt section and were used in the model. If no deviation surveys were found, then the holes were considered to be vertical. • In 2013, a drilling programme was initiated at Muga. Holes were cored from surface. When the top of salt is reached, the mud is re-formulated to a super-saturated brine to eliminate or diminish dissolution of the highly soluble evaporite minerals. Drilling has been contracted to Geonor Servicios Técnicos S.L. of Galicia, Spain, using a Christensen CS3000; and Fordia Golden Bear and Sondeos y Perforaciones Industriales del Bierzo (SPI) SPIDrill 260. Drilling was supervised by Highfield geologists.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Detailed information on core recovery for the historical programme is not available, but the analysis data are largely complete over the mineralised zones. • Core recovery on the 2013–2017 drilling campaign averaged greater than 95% in Muga in the mineralised zones, although some samples show dissolution due to undersaturated brine mud. Typically, these samples are thought to under-report the target potassium mineralogy because of the highly soluble nature of those minerals, but it is also possible that less desirable or deleterious mineralogy (i.e. MgO) may also under-report in this situation. • PQ core is the recommended diameter for core, but in some cases the hole is completed with HQ. Core sampling procedure is well-documented in the 2013–2017 drilling program. In total 12 drillholes (455.10 m) were drilled with PQ through the mineralised unit, another 12 drillholes (406.8 m) were completed with HQ diameter.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Lithology logs were completed for the historical drilling programs. The 1989–1990 drilling programme included Muga and Los Pintanos holes: Javier-3, JP-1, JP-2, JP-3D, JP-4, PP-2/2B, and PP-3. The sample intervals were comparable to industry standards (generally <30 centimetres [cm]), but the methodology is unknown. Thirty centimetres is typically used for a maximum sample length for potash in order to assure samples are not diluted and confidence in mineralogy is maintained over the interval. Sample intervals for the unknown (pre-1987) drilling programme used a much larger sampling interval (up to 2.44 m) for Nogueras, Vistana, and Javier-3. • In the modern program, cuttings were collected from the open holes and the core was logged, photographed, sampled, and analysed in approximately 0.3 m lengths. • In both drilling campaigns 100% of the relevant intersections were lithologically logged.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For the historical holes, grooved samples were taken for analysis through the potash mineralisation. These samples were produced by sawing a shallow channel into the core surfaces. This is not usually considered good practice, but is sometimes used to keep the core intact. Independent technical advisor North Rim (Stirrett and Mayes, 2013) reanalysed available holes to test the validity of the historic data, as discussed below in "Quality of assay data and laboratory tests." • In the 2013–2017 drilling campaign, cored samples were halved and quartered, with a quarter sent for analysis. This sampling methodology is the modern industry standard. The sample intervals of approximately 0.3 m in length were taken over the length of the mineralised interval. Cores were usually PQ (85 millimetres [mm]), but in the case of difficult drilling conditions, coring was reduced to HQ (63.5 mm). • This smaller core diameter is not ideal for sample analysis as some duplicates have shown variability. To try to mitigate this, duplicates are selected from HQ as true duplicates rather than on a quarter core sample. Quarter sample duplicates are selected for PQ core. In all cases, hole size was reduced to continue drilling in difficult drilling conditions (lost circulation) and is not part of normal procedure.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Geochemical results are available for the 1989–1990 drilling campaign, complete with 360 samples in Muga. The results were obtained through the internal Potasas de Subiza S.A. (POSUSA) lab and were analysed for KCl, $MgCl_2$, NaCl, insolubles, and clay. The intervals listed for these samples reflect the thickness of the sample as measured in the drill core; however, true thicknesses for the sample intervals is outlined in the historical strip logs to account for structural dip of the intervals. Samples were typically limited to 30 cm or less to maintain good sample resolution. • No original sample analyses are available for the pre-1987 drilling program. Results for Javier-3, Vistana and Nogueras are summarised from the E.N. Adaro comprehensive reports (E.N. Adaro 1989–1991). These drillholes were only analysed for KCl, and therefore lack results pertaining to $MgCl_2$ (to determine carnallite content) or insolubles. • The "grooving" technique on the historical sampling was used to minimise destruction of core and may not be representative. The method of geochemical analyses used for both the 1989–1990 drilling campaign and the pre-1987 drilling programme is unknown as is the identity of the laboratory that conducted the geochemical analyses.

Criteria	JORC Code explanation	Commentary
		• A resampling programme for Javier-Pintanos was carried out by North Rim (Stirrett and Mayes, 2013). Re-sampling on Vistana, Nogueras, and Javier-3 was carried out at the Litoteca de Sondeos in Spain, the state-run core laboratory. North Rim attempted to duplicate the historical sample intervals; their methodology is described below. • For the re-sampling of historical core samples, the start and end of each sample was identified using blue corrugated plastic to ensure the proper intervals were selected for slabbing. For each sample, a line was drawn across the top after the core was fit together. Once the sample intervals were determined, one-quarter of the core was cut for sampling. A hand-held circular saw with a diamond-tipped blade was used to cut the core. Once the entire interval was cut, the cut surface was wiped down with a damp cloth to remove any rock powder generated by cutting. The quarter core was divided into individual samples by drawing straight lines across the core diameter in permanent black marker as identified by the blue plastic markers. The determination of individual samples was based entirely on the historical sample intervals. No additional sampling was completed. As the samples were chosen, they were labelled using a numbering scheme that incorporated both the drillhole number and a sample number (e.g., J3-583RS). "RS" was incorporated at the end of the sample to indicate "re-sample." Each sample and its corresponding sample tag were placed into a waterproof, plastic sample bag and stapled to enclose the sample within the bag. Samples were placed into sturdy cardboard boxes and packed with styrofoam. Shipping sheets were completed that included well information, box numbers, sample numbers, and contact information and accompanied the samples to the Saskatchewan Research Council (SRC) Laboratories in Saskatoon, Saskatchewan, Canada. In the re-sampling program, the correlation plot between the historical samples and their re-analysed equivalents has an average difference of 3.68% K_2O overall. The results indicate a general over-estimation of grade within the historical samples, with 87% of the historical samples having higher K_2O grade than the re-sampled analyses indicate. This is not a systematic difference, but instead indicates that the variation is more likely due to sampling technique rather than a problematic analytical technique or procedure. • In the 2013–2017 sampling program, chemical analysis was by ICP-OES and XRF. • Highfield and ALS, the primary contract laboratory, maintained quality control procedures of standards, duplicates and blanks. Internal SRM, blanks and duplicates were inserted by Highfield personnel during sample preparation. • ALS inserted commercial standards BCR-113 and BCR-114 both potash fertilizer materials, a MOP (muriate of potash) and SOP (sulfate of potash), respectively, as well

Criteria	JORC Code explanation	Commentary
		as their own internal standard as a blank material SY-4, a diorite gneiss. • Duplicates were submitted to ALS and show good internal agreement. • Highfield made multiple Standard Reference Material-type (SRM) samples representing low-, medium-, and high-grade (LG, MG, HG) potash material, and they show good accuracy and precision within a +2 standard deviation envelope based on 30, 31 and 27 for HG, LG and MG, respectively. The insertion rate is one blank per 50 samples or batch; one SRM and one lab duplicate per 20 samples or batch. • Check samples were tested at SRC and show good agreement for K_2O values.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The re-sampling programme of historical cores was carried out under the supervision of North Rim and documented in a report to Highfield. The aim of the geochemical re-sampling programme was to acquire sufficient confidence in the historical chemical analyses data to develop a Mineral Resource estimate, to be reported in accordance with the JORC Code. Only three drillholes with cored intervals containing potash mineralisation were available for re-sampling within the project area: Vistana, Nogueras, and Javier-3. • The available historical geophysical logs (run by Schlumberger) were compared estimated K_2O from natural gamma and/or spectral gamma logs versus the assayed value, which showed very good agreement. • ALS analysed samples both by ICP and XRF. In general, ICP analysis shows reasonable agreement with results produced by XRF, which report, consistently, slightly higher values of K_2O. Other holes showed similar bias, thereby substantiating testing precision. The ICP method is the base method used for grade analysis. • Highfield receives all chemical analyses in .XLS or .CSV format from the laboratories and one person is responsible for transferring those data into a master database and maintaining the QA/QC monitoring. The results of the QAQC samples are reviewed by Geoalcali and outliers are identified and sent for reanalysis. • A database was built from the historical drillhole information by Highfield and checked against the historical reporting of chemical analyses and intervals listed on the lithologic logs. • The master database was checked against the ALS-issued Certificates of Analysis.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historical collar locations were re-located in most cases and re-surveyed. Some historical collars could not be located as many were drilled on agricultural land. Historical drill hole location maps consistently show locations and so suggest confidence in the hole coordinates. Historical data and maps are referenced to the European Datum 50 (ED50) and have been updated to the European Terrestrial Reference System 1989 (ETRS89) datum for compatibility with modern survey information. • All new locations from the 2013–2017 drilling programme are surveyed before and after drilling by a licensed surveyor.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Exploration drillhole spacing varies between 300-1000 m. 2013-2014 drilling campaigns were designed to fall on the historical seismic line traces. This was followed by infill drilling to refine the interpretation from previous campaigns. Then current drilling density is 1.66 DDH/km^2 • Samples have been composited over the thickness of identified potash beds for the reporting of exploration results. • The drillhole spacing and distribution are deemed adequate to establish geologic and grade continuity commensurate with the Mineral Resource classification applied, as discussed under “Section – Mineral Resources” in this table. Geologic restrictions, allowances for unknown geologic anomalies, and downgrades of classification were applied to reasonably characterize geologic confidence.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Historical holes were assumed to be vertical in the absence of deviation surveys. Deviation data show relatively vertical trajectories in surveyed holes. Data on bed orientation were incorporated into the database to calculate apparent true thickness. • The regional structure is discussed in more detail in “Geology” and in “Property Structure.” The deposit is bedded, and historical seismic maps showed evaporite unit propagating to the west at increasing depths. • The northern Loiti Fault System and the south Magdalena System delimitate the ore deposit, which shows a bearing perpendicular to these structures. • The drilling was orientated vertically as this was expected to be perpendicular to the true thickness of the potash units which are gently dipping and sub-horizontal.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• In the 2013–2017 drilling program, Highfield personnel maintained effective chain of custody procedures for the samples. Core was picked up at the drill site and brought to the secured warehouse for detailed logging and sampling. Following sampling (see sections on sampling herein), sample bags and boxes were secured with zip ties for shipping to the laboratory. • There is no detail available on the procedures used to ensure sample security for the historical samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Besides the re-sampling programme carried out by North Rim, CPs compared historical chemical analyses data to estimate K_2O from geophysical records. In addition, ALS assayed samples both by ICP and XRF and these values were compared as discussed in "Verification of sampling and assaying data."

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• Muga property comprises six permits: Goyo (ref. 25780) and Muga (ref. 3500) are granted Investigation Permits (PI) in Navarra. Fronterizo (ref. Z-3502/N-2585) straddles the Navarra and Aragón border and its PI was granted 05 February 2014. Vipasca (ref. 35900) was applied for at the end of 2013 and granted on 11 December 2014. Goyo Sur (ref. 35920) and Muga Sur (ref. 3524) are still pending being granted. All permits are held 100% by Geoalcali S.L, a wholly owned Spanish subsidiary of Highfield Resources. • Property descriptions and land status were obtained from the list of lands as set forth in the documents provided by Highfield. • The Competent Persons have reviewed the mineral tenure from documents provided by Highfield including permitting requirements, but have not independently verified the permitting status, legal status, ownership of the project area, underlying property agreements or permits. • Exploration and exploitation of mineral deposits and other geological entities in Spain are governed by the Mining Law 22/1973, which is further governed by the Royal Decree 2857/1978. All sub-surface geological structures, rocks, and minerals are considered the property of the public domain and are categorised into four sections under the Spanish law (A, B, C, and D), and must have mining authority authorisation and supervision for commercial exploitation. Section C covers the minerals of interest for Highfield, and a mining concession would need to be awarded prior to exploitation which requires the accompaniment of environmental permits and municipal licenses (electrical, water etc.). Generally, exploration and investigation permits are applied for prior to applying for a mining concession (not legal obligation), and are aimed at determining the potential of the area through exploration practices (drilling, seismic, sampling etc.). These are granted through the region's government/mining authority where the exploration or investigative work will take place. • Exploration permits (PE) are valid for one year and can be renewed for one additional year. A PE allows only non-intrusive investigation, which is defined by the various Spanish regions and can vary. • A PI is good for up to three years and renewable in three-year terms or longer depending on the scope of the intended work. Investigation permits carry with them municipal approval as they are publicly released for community discussion. To carry out work under the investigation permit, the permittee must contract with the individual the landowners to allow

Criteria	JORC Code explanation	Commentary
		for access and occupation of the land during the exploration. • In order for both types of permits to remain valid, the applicable taxes must be paid and the permittee must comply with the applicable regulations and exploration plan approved by the mining authority. Investigation permits require assessment reporting which requires the permittee to submit working plans, budgets, and initiate work within certain time allotments. Exploration and investigation permits can be transferred in whole or in part to other third parties with enough technical and financial backing but must be authorised by the proper mining authorities in Spain.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The historical drilling programme completed in 1989–1990 was outlined in detail by E.N. Adaro (1989–1991). E.N. Adaro, the state-owned group tasked with exploration and development of Spain's Mineral Resources, produced detailed reports and "reserve" studies of the Javier-Pintanos area. • Potash was first discovered in the Ebro Basin in the Catalonia area in 1912 at Suria after the potash discoveries in Germany (Moore 2012). Salt was first discovered through drilling, later followed by four economic potash mining zones with a combined total thickness of 2.0 to 8.0 m (Stirrett and Mayes 2013). The potash horizons in the area were identified to cover approximately 160 km^2 at depths of approximately 500 m sub-surface, unless they were brought closer to surface by anticlinal or tectonic structures (Stirrett and Mayes 2013). Several deposits were located in the Catalonia area, including, Cardona, Suria, Fodina, Balsareny, Sallent, and Manresa. Several of these areas were developed into mines and are all flanked by anticlinal structures. The potash deposits in the Navarra region were not located until later, in 1927, through comparative studies to the deposits found at Catalonia (Stirrett and Mayes 2013).
		• Production at Pamplona began in 1963 with a capacity of 250,000 tonnes per annum (tpa) of K_2O. A thick carnallite member overlies the sylvinite, so in 1970 a refinery with the capacity for 300,000 tpa was built to accommodate for carnallite from the Esparza (Stirrett and Mayes 2013). Carnallite mining was ceased in 1977. Inclined ramps for the mine were located near Esparza, reaching the centre of the mine, with further shafts located at Beriain, Guendulain and Undiano. In 1982, 2.2 million tonnes of sylvinite were extracted with an average K2O grade of 11.7% (Stirrett and Mayes 2013). The operations in Navarra were closed in the late 1990s.

Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• The Upper Eocene potash deposits occur in the sub-basins of Navarra and Aragón provinces within the larger Ebro Basin. The Navarrese sub- basin includes the Muga-Vipasca (Javier) and adjoining Los Pintanos deposits. The first deposits in the region, occurring at the end of the Cretaceous period, were characterised by a regressive period with reddish continental deposits. The Eocene is marked by the beginning of tectonic compression, causing formation of subsiding basins parallel to the Pyrenees Mountains with emersion and erosion in some parts. The different basins are separated by orogenic events developing in the north and south as turbidite basin carbonate platforms. Towards the end of the Eocene epoch, the sedimentation axis migrated south to the Jaca-Pamplona Basin, on which the Oligocene materials were deposited. The pre-evaporitic basin sedimentation occurs in a context of continuous tectonic compression during the Eocene and Oligocene epochs, as synsedimentary tectonics of the end of the orogeny, with pronounced sediment influx. The influence of the turbidites towards the end of the Eocene epoch in the Bartoniense series, are sourced from the east initially into the Pintano Basin and contained by the Flexura de Ruesta and then from the northwest into the Basin as the Belsue Formation. • This potash deposit contains a 100 m-thick Upper Eocene succession of alternating claystone and evaporites (anhydrite, halite, sylvite and carnallite). The evaporites accumulated in the elongated basin at the southern foreland of the Pyrenean range (Busson and Schreiber 1997). The evaporites overlie marine deposits and conclude in a transitional marine to non-marine environment with terrigenous influence. Open marine conditions existed in the Eocene-Oligocene epochs, progressing to a more restricted environment dominated by evaporation and the deposition of marl, gypsum, halite, and potassium minerals. Later, tectonism and resulting salt deformations formed broad anticlines, synclines and overturned beds. The Basin depocentre originated in the west, forming against the down-dropping Javier-Undues Syncline. In this area, the salts are thick and additional lower, less continuous beds developed in addition to a substantial thickness of PB, the uppermost potash mineralised bed. To the east, a broad basement high formed resulted in poorly developed or missing lower salt beds; the potash package is more compact and some beds are missing, particularly near the Basin edges. Basin edge influences include sediment influx, dark clays and light-coloured sand as well as soft sediment deformation and salt-veining which resulted from continued uplift and steepening beds. Basement-related faulting as well as structural influences at the Basin edge have resulted in repeated (or overturned) and thickened mineralised beds. • Two fault systems dominate and bound the Muga sub-basin, to the north by the extension of the thrusting Loiti Fault and to the south by the Magdalena Fault. The Basin axis is

Criteria	JORC Code explanation	Commentary
		defined by the Javier-Undues Syncline. To the east, the Basin climbs to the Flexura de Ruesta, a northwest-southeast offset block contemporaneous with evaporite deformation that resulted in a higher saddle area between the Muga and Pintano sub-basins. Approximately vertical faults parallel to the west of the Flexura de Ruesta have been defined by two-dimensional (2D) seismic surveys (Empresa Nacional Adaro Investigaciones Mineras [E.N. Adaro] 1988–1991). Basin continuity to the west-northwest has not been roughly defined by seismic surveys. A 2D high-resolution seismic survey was run for POSUSA in August–October 1988, by CGG over most of what is now the project area. This consisted of 9 lines totalling 55 km (Geoalcali 2012). The resulting structure maps for both the top (techo) and bottom (muro) of salt were developed by CGG in combination with the regional seismic, field map, satellite imagery, and drill hole data; however, this information seemed to be unreliable while progressing in drilling campaigns as the density markers were not confirmed by the lithologies in the drillholes. The potash-bearing zones lack any velocity/density contrasts within the salt; it is not possible to detect potash or map the structure of the zone directly. Coverage of the seismic interpretation does not extend to the northwest part of the basin. • Potash is used to describe any number of potassium salts. By and large, the predominant economic potash is sylvite: a KCl usually found mixed with salt to form the rock sylvinite which may have a K_2O content of up to 63% in its purest form. Carnallite, a potassium magnesium chloride (KCl•MgCl2•6H2O), is also abundant, but has K_2O content only as high as 17%. “Carnallite” is used to refer to the mineral and the rock interchangeably, although “carnallitite” is the more correct terminology for the carnallite and halite mixture. Besides being a source of lower grade potassium, carnallite involves a more complex production path, so it is less economically attractive. The depositional environment is that of a restricted marine basin, influenced by eustasy, sea floor subsidence, and/or uplift and sediment input. It is suggested that the basin is a combination of reflux and drawdown. Reflux represents a basin isolated from open marine conditions thereby restricting inflow, increasing density, and increasing salinity. Drawdown is simple evaporation in an isolated basin resulting in brine concentration and precipitation. This is the classic “bulls- eye” model (Garrett 1996). In this case, the basin is further influenced by erosion at the basin edges due to contemporaneous and post-depositional uplift, resulting in localised shallowing and sediment influx (Ortiz and Cabo, 1981). In that classic model, a basin that is cut off from open marine conditions will experience drawdown by evaporation in an arid to semi-arid environment. In the absence of sediment influx, precipitation will proceed from limestone to dolomite to gypsum and anhydrite to halite. Depending on the composition and influences

Criteria	JORC Code explanation	Commentary
		of the brine at that time, the remaining potassium, magnesium, sulfates, and chlorides will progress from potassium and magnesium sulfates to sylvite and then carnallite. The formation of sylvite and carnallite are proposed herein as secondary and primary, respectively. • In the Muga Project area, the mineralogy is dominated by sylvinite and some carnallite appearing as medium red-orange and white, largely coarse crystals in bands and in heavily brecciated beds with high insoluble material, largely fine-grained clays, anhydrite and marl. The upper potash beds transition to finely banded light brown marls and clays. The salts just below the upper potash tend to be dark grey to black. In some lower beds, halite becomes brownish, sandy to coarsely granular sand and sandstone as sediment influx from the basin edges. In portions of the halite beds, sediment influx from the basin edges is seen as sandy to coarsely granular sands and sandstones. The lower salt is banded, exhibits very large cubic crystals and, in some cases, high angles and folding indicative of recrystallisation and structural deformation. The literature denotes this salt as the “sal vieja” or “old salt” (Ortiz and Cabo 1981). The evaporite beds and bands, in general, are separated by fine to very coarse crystallised and recrystallised salts, generally grey, sometimes light to medium honey brown or white, with anhydrite blebs, nodules and clasts.

Criteria	JORC Code explanation	Commentary
Drill hole information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level— elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Not applicable.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cutoff grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• Not applicable.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Figures illustrating the Geology, Drilling and relevant mineralisation relating to the Muga-Vipasca and Pintano properties and the current footprint of the declared Mineral Resources are contained within the 2018 Technical Report.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to vavoid misleading reporting of Exploration Results.	• Updated analysis results are presented in previous Highfield ASX releases.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples—size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• A 2D high-resolution seismic survey was run for POSUSA in August–October 1988, by CGG over most of what is now the project area. This consisted of 9 lines totalling 55 km (Geoalcali, 2012). An additional 2D seismic was run at a later date (unknown) increasing the total available seismic to 16 lines, totalling 87.3 km (RPS 2013). • RPS of Calgary, Alberta, Canada, completed a re-interpretation of the 2D historical seismic lines and profiles on behalf of Highfield. The re-interpretation programme was designed to review the overall accuracy of the historical data in terms of good correlation to drillhole data and geological intersections, as well as identify any sub-surface structures that may adversely affect the salt-bearing strata within the project area. A total of 16 lines were reviewed and were tied to wells with historical wireline data from the 2D seismic RPS. The paper copies of the seismic were digitized as the original tapes were unavailable. • RPS interpreted that there is no indication of widespread salt removal due to faulting or dissolution. Deep structural features are noted across the project area, and only poor quality seismic data exist over these features. A large-scale structural high is present between Muga and Los Pintanos areas, separating them geologically. • The CPs initially used these structural data, but the historical map is modified and corrected to reflect updated drill hole information.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The Muga geotechnical/hydrogeological drilling programme focused in the declines is still in progress; however, no further exploration drilling is expected in the area, until the underground development.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Composite values and hole depths/coordinates in the Strat3D geologic block model were visually compared (on screen) with values in the database values for accuracy. • Block model grade and thickness results were compared with the drill hole database to ensure a realistic representation of the composites in the vicinity of drill holes. • In modern holes, duplicate and check analysis samples were prepared for select intervals in each potash cycle. Duplicate cores were quartered and sent to ALS for analysis. ALS incorporated blank, repeat, and potash standard samples in the testing protocol. Check samples were sent to a second qualified laboratory (SRC, Canada) to verify results. ALS maintains its own internal procedure and chain of custody to high industry standards. There was good agreement in the duplicates. • Both ALS and SRC are laboratories of international repute for the analysis of potash. They maintain their own QC program. QC measures, and data verification procedures applied, include the preparation and analysis of standards, duplicates, and blanks. • Check samples were sent either to ALS and SRC and also showed good agreement.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The previous Competent Persons from Agapito Associates visited the ALS Laboratory Group analysis sample preparation facility in Seville, Spain on 30 August 2013. • The visits were conducted for the purposes of exploration planning, data collection, site observation, core inspection, drill rig inspection, chemical laboratory inspection, and QA/QC confirmation. • Ms Anna Fardell, a Member of the Australian Institute of Geoscientists (6555) and an employee of SRK Consulting (UK) Limited is the Competent Person for the updated Mineral Resource Statement. Ms Fardell visited the Muga Project in July 2017 and visited a number of drillhole collars and observed the drilling procedures used at Vipasca P.I., and the core storage and sampling procedures in the core yard. • No changes were implemented after the July 2017 visit as all procedures were found to be followed diligently and to high industry standards.

Criteria	JORC Code explanation	Commentary
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• To the southeast and east, the model is bound by a structural limit called Ruesta fault. • To the south, the deposit is bound by the plunging La Magdalena anticline, which is delimited by a fault in its southern limb. The current Mineral Resource is limited by the northern limb of Magdalena anticline and does not extend towards this discontinuity, as no drilling has proved the extension. • The estimated Mineral Resources remain open to the west into the Vipasca permit area at increasing depth. • Grade parameters were composited as length-weighted averages of the individual analyses over a continuous bed thickness. In most instances, top and bottom bed contacts are gradational, introducing some trade-off between grade and thickness. Contacts were selected to maximize thickness while maintaining a composite grade as close as possible to 12.0% K_2O with a true thickness equal to greater than 1.5 m. Depending upon the vertical grade distribution, bed thicknesses less than 1.5 m and composite grades less than 8.0% K_2O were required in some instances to create a robust geologic model. • Structural dips were calculated from the base-of-salt surface constructed from seismic, outcrop, and drill hole data. Dips in individual beds were adjusted locally by stacking the variable-thickness interburden and potash beds above the base- of-salt surface. • Drillhole and seismic indicate generally predictable bed continuity across the property, nonetheless variation in potash thickness, grade, and mineralogy between drill holes is present. Faults, folds, and other structural disturbances can limit mineralisation locally. Potash quality can be affected by varying depositional environments or structure, including depositional highs, syngenetic faulting, basement carbonate mounds, algal reefs, post-depositional gypsum dewatering, groundwater dissolution along fault conduits, and by other complex features. • At this stage of the exploration programme, Mineral Resources are classified as Measured, Indicated, and Inferred only.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The mineralisation occurs in potash beds P0, PA, PB, P1, P2, and P4 at least over an area spanning approximately 24 km^2. Potash bed P3 also appears in the basin, but it does not have economic interest. • The mineralisation ranges in depth between 200 m and 1,200 m below surface. P0 ranges from 0.6 to 7.8 m in thickness, the grade varies between 0.7-16.1% K_2O; the MgO content ranges between 0.09-19.8% and the insoluble content between 10.59-25.21%. PA ranges from 0.78 to 6.3 m in thickness, the grade varies between 0.84-18.27% K_2O; the MgO

Criteria	JORC Code explanation	Commentary
		content ranges between 0.05-6.11% and the insoluble content between 7.12-28.91%. PB ranges from 0.77 to 12.9 m in thickness, the grade varies between 0.32-18.28% K_2O; the MgO content ranges between 0.08-2.34% and the clay content between 7.68-27.25%. P1 ranges from 0.83 to 10.5 m in thickness, the grade varies between 5.42-15.26% K_2O; the MgO content ranges between 0.07-0.21% and the insoluble content between 7.67-15.85%. P2 ranges from 1.8 to 6.9 m in thickness, the grade varies between 12.09-15.63% K_2O; the MgO content ranges between 0.19-0.21% and the insoluble content between 7.17-13.06%. P4 intersected in J13-09, has an average thickness of 3.3 m, an average grade of 13.71% K_2O, an average MgO content of 0.19 and insoluble content of 8.85%. • Secondary grade constituents (MgO, insoluble and halite) were modelled with the block model and show a degree of variability similar to K_2O grade.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non- grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was	• The grade and tonnage estimates was quantitatively estimated using a computer 3D gridded- seam geologic (block) model constructed with Strat3D v 2.2.82.0 software. • Data utilized in the model include historic and modern drillhole logs and chemical analyses, historic and modern interpretations of 2D seismic surveys, surface topography in the form of a digital elevation model (DEM), permit boundary lines and historic resource analysis. • Grade parameters used in the block model were composited as length-weighted averages of the individual analyses over a continuous bed thickness. • No drillholes or drillhole data were excluded from the model within the basin limiting structures. No sample or composite outliers were identified, and none were excluded, cut, or capped in the model. • Bed thicknesses were corrected to true thicknesses for modelling according to local dip and downhole deviation survey data. Historic holes lacking deviation surveys were assumed vertical. • • The potash beds of interest were gridded into single layers of 50 m^2 blocks of variable vertical thickness representing the local thickness of the respective potash bed. For grade estimation, the block size was increased to 250 m^2 blocks. • Block true thicknesses was interpolated into 50m blocks by inverse distance cubed. An exponent of 3.0, instead of a lower value such as 2.0, was selected to enhance local variability in the model consistent with the variability evident in the drill holes. • The block thickness estimation was conducted using an anisotropic elliptical search radius with a major axis of 4,000 m oriented at an azimuth of 120°, parallel to the axis of the basin

Criteria	JORC Code explanation	Commentary
	used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	and a minor axis of 2,000 m perpendicular to the major axis. • A maximum of 15 and minimum of 3 drillhole composites within the search ellipse was used for estimation. The anisotropic model was used as it reflects the axis of the Muga basin and the relative geological continuity observed in the drillholes. • Grade estimation was conducted by Ordinary Kriging for the main and the secondary parameters. The maximum variogram range for K_2O and MgO is 2,500 m for Na_2O is 1,200 m and for insoluble is 1,000 m.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages are estimated using variable bulk density of 2.12 g/cm^3 based on bulk density measurements from core samples; in the case of PA, the seam with higher MgO content, a regression was applied to calculate the density as there was a strong relationship between density and MgO content in this seam. There is negligible water within the mineral structure in the potash which has no impact on the density. • The mineralisation is dominated by evaporites rich is K_2O. • Sylvinite is a mechanical mixture of halite (NaCl) and sylvite (KCl) typically with inclusions of insolubles (typically clays) and limited carnallite ($KCl{\cdot}MgCl_2{\cdot}6H_2O$).
Cutoff parameters	• The basis of the adopted cutoff grade(s) or quality parameters applied.	• The Company has sourced technical and economic parameters from the recent mining study The assumed parameters include processing recovery, mining and processing costs per tonne run of mine, and G&A, logistics to port and freight costs per tonne MOP. A commodity price of USD 313/t MOP has been assumed, and mineral royalties have been considered. A cut-off grade has been calculated using these assumptions and rounded up to 8%. • SRK has verified the input parameters and the cut-off grade calculation, alongside the technical reasoning behind the proposed production scenario. SRK has tested the sensitivity of the COG to operating costs and a contingency. SRK is confident that the Mineral Resource as reported fulfils the requirement that it should have potential for economic extraction. • No constraints have been applied for insolubles or carnallite (i.e., magnesium) content as it is expected the material can be blended to reach the appropriate product specification. • SRK notes that the assumptions and technical and economic parameters will change as further technical work is undertaken.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• The MRE does not include any out-of-bed dilution. • The analysis assumes a base case mining scenario with multi-seam room-and-pillar mining.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• The detailed economic analysis supporting reasonable prospects for eventual economic extraction of the Mineral Resource assumes processing with conventional crushing, flotation and crystallization. • Flotation was used successfully to process similar sylvinite mineralisation at POSUSA - Adaro's Navarra and Subiza potash mines at Sierra del Perdón from the 1970s through 1990s. • Preliminary flotation testing conducted by Geoalcali on sylvinite core from Muga supports KCl recoveries in excess of 80%, similar to the historical Navarra and Subiza potash mines and sufficient to justify reasonable prospects for eventual economic extraction. 80% was used for the purposes of calculating the cut-off grade. • High insolubles and high magnesium (associated with carnallite) have the potential to reduce KCl recovery during the flotation process.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• No environmental factors or other discipline were considered when reporting Mineral Resources or provided by Geoalcali as part of this study.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Density measurements were conducted on pieces of diamond core and cover all the major lithologies at Muga throughout the 2013-2017 drilling campaigns by the ALS Sevilla Laboratory. • Tonnages are estimated using variable bulk density of 2.12 g/cm^3 based on bulk density measurements from core samples; in the case of PA, the seam with higher MgO content, a regression was applied to calculate the density as there was a strong relationship between density and MgO content in this seam. There is negligible water within the mineral structure in the potash which has no impact on the density. Measurements were made in July 2017 by the SGS Vostok Ltd. Testing Laboratory.

Criteria	JORC Code explanation	Commentary
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Based on the definitions and guidelines presented in the JORC Code, SRK has assigned portions of the Mineral Resource into the Measured, Indicated and Inferred categories. • In determining the appropriate classification criteria, several factors were considered: ○ JORC Code reporting requirements and guidelines; ○ Quality of data used in the estimation; ○ Quantity and density of sample data; ○ Geological knowledge and understanding, focusing on geological and grade continuity; ○ Quality of the geostatistics and interpolated block model; and ○ Experience with other deposits of similar style. • The Mineral Resource classification appropriately reflects the CP's view of the deposit.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• The mineral resource estimate was produced by Geoalcali under the supervision of Anna Fardell of SRK Consulting. The final parameters, classification and block model was reviewed according to SRK's internal peer review process, and in draft form by the Company. • No other external reviews have been completed to date.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The stated Mineral Resource is a combination of Measured, Indicated and Inferred Mineral Resources, generally reflecting the apparent grade continuity as well as geological continuity and sample spacing. • There is a high level of confidence in the underlying drillhole data. • There is a high level of confidence in the geological continuity of the mineralisation above the cut-off grade of 8% K_2O. • The variography has characterised the spatial correlation between grades and shows grades are correlated sufficiently. • There is a good degree of confidence in the accuracy of block estimates, which were validated using several methods to ensure the estimated grade provides a reasonable reflection of the underlying sample data. The block model has been validated on both a global and local scale.