ASX Release
22 January 2019

UPDATED ORE RESERVE ESTIMATE FOR THE MUGA POTASH PROJECT

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

Highlights

- Proved and Probable Ore Reserve estimate of 108.7 million tonnes at 10.2% K_2O.
- Proved Ore Reserve estimate of 42.9 million tonnes at 10.2% K_2O.

Updated Ore Reserve estimate for the Muga Project

This update relates to a revised Ore Reserve Statement prepared by Highfield Resources and audited by SRK Consulting (UK) Limited ("SRK") which is presented in Table 1 below. The Proved and Probable Ore Reserve has been derived from the Measured and Indicated Mineral Resource of 235 million tonnes as previously reported on 10 October 2018 and comprises 108.7 million tonnes at 10.2% Potassium Oxide ("K_2O", potash), with a Proved Ore Reserve of 42.9 million tonnes at 10.2% K_2O and a Probable Ore Reserve of 65.8 million tonnes at 10.2% K_2O. As a result of additional detailed 3D modelling undertaken after the release of the Muga Project Update statement dated 15 October 2018, the total Ore Reserve of 108.7 million tonnes is modestly different from the 117 million tonnes of Muga mining inventory previously reported.

The audited Ore Reserve Statement has been reported in accordance with the terminology and guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Specifically, it comprises the portion of the Mineral Resource classified as Measured or Indicated which is planned to be mined and processed, and then transported to the point of sale. The Ore Reserve is presented in terms of plant feed and inclusive of losses and dilution incurred during mining and is a sub-set of, and not additive to, the Mineral Resource estimate released on 10 October 2018 from which it was derived.

Table 1: Audited SRK Ore Reserve Statement for the Muga Potash Project Deposit effective date 31 December 2018

Ore Reserve Classification	Tonnage (Mt)	%K_2O	%MgO	%KCl
Proved Reserve	42.9	10.2%	0.4%	16.1%
Probable Reserve	65.8	10.2%	0.5%	16.1%
Total Ore Reserve (Proved + Probable)	**108.7**	**10.2%**	**0.5%**	**16.1%**

1. *All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. The Concession is wholly owned by and exploration is operated by Geoalcali S.L., the wholly owned Spanish subsidiary of Highfield Resources.*
2. *The standard adopted in respect of the reporting of Mineral Resources and Ore Reserves for the Project, following the completion of required technical studies, is in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*
3. *SRK reasonably expects the Muga deposit to be amenable to a variety of underground mining methods for the shallow and inclined potash seams. Ore Reserves are reported at an 8% K_20 cut-off estimate based on potash price assumptions, metallurgical recovery assumptions from initial testwork, mining costs, processing costs, general and administrative (G&A) costs, and other factors.*

COMPETENT PERSONS STATEMENT FOR MUGA ORE RESERVES AND 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 is based on information prepared by Dr Mike Armitage, the Chairman of SRK Consulting (UK) Limited. Dr. Mike Armitage is the Competent Person who assumes overall professional responsibility for the Compliance Opinion. The information in this update that relates to 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.

Dr Mike Armitage is employed by SRK Consulting (UK) Limited. The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled under the direction of Dr Mike Armitage, who is a Member the Institute of Materials, Metals and Mining ("IMMM") which is a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by the Australian Stock Exchange ("ASX") from time to time.

Dr. Mike Armitage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Dr. Mike Armitage consents to the inclusion in this update of the matters based on this information in the form and context in which it appears.

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.

Ore Reserve assumptions

The Ore Reserve estimate was prepared by Highfield Resources and audited by SRK. The approach, and the assumptions made, for the purpose of the Ore Reserve estimate are summarised in the following sections. Whilst the approach is similar to the approach presented in the release of the Muga Project Update statement of 15 October 2018, some of the assumptions used in the Ore Reserve estimate differ. See below and Appendix A for JORC Code section criteria for further details.

Reserve cut-off grade approach

The cut-off grade utilised for mining is 8% K_2O with a maximum waste salt content of 30%. SRK verified the input parameters and the cut-off grade approach together with the technical justification behind the production scenario proposed by Highfield. SRK also assessed the sensitivity of the cut-off grade to operating costs with additional contingencies applied to test the robustness of the project economics. The Company and SRK are confident that the Ore Reserves are reported in accordance with the JORC Code guidelines and have the potential for economic extraction.

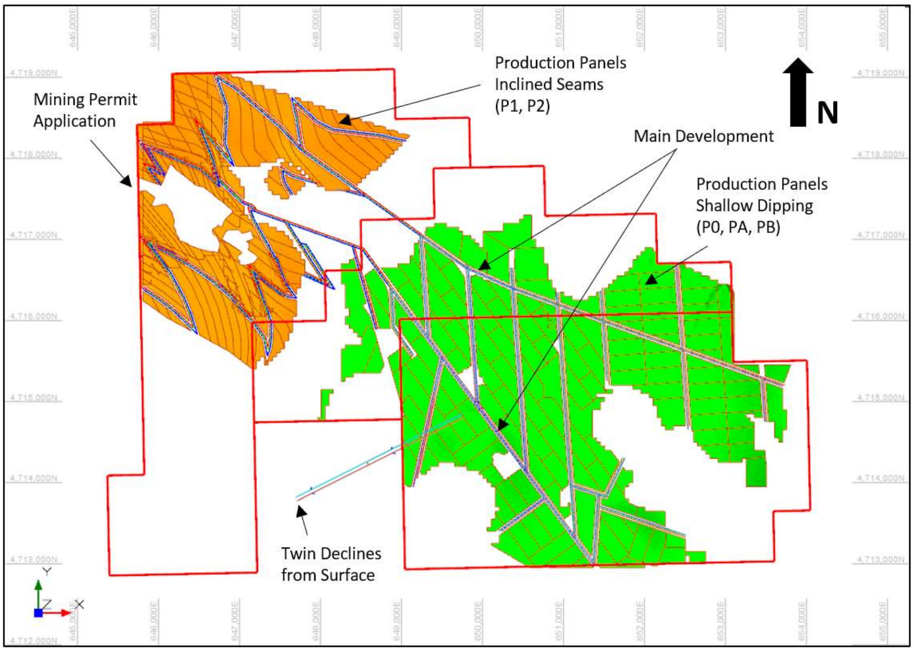
No constraints have been applied for insolubles or carnallite (a magnesium compound) content as it is expected the mined potash can be blended to achieve the appropriate product specification.

Mining method approach

For the planned mine production panels, the tonnage and grade have been diluted by 15 cm of waste in the roof and the floor. The seams are also constrained by a minimum mining height of 2.1 metres which is consistent with the planned mining equipment. The shallow dipping seams utilise a set of two parallel roadways as the main development access, one for fresh air intake and access and the other for exhaust ventilation and conveyor belt materials handling system. The mining method approach is a typical Room and Pillar ("R&P") panel layout. The room width is specified at 8 metres and the height and pillar size is determined by the total combined seam thickness, geotechnical constraints due to depth below surface and/or any equipment limitations.

The inclined potash seams in the north-west of the deposit (see Figure 1) require an alternative mining approach to the R&P panel layout used for the shallow dipping seams, to minimise dilution and maximise extraction, taking into consideration the geotechnical constraints and equipment limitations. For the inclined seams the planned dilution effect is considered for extraction by Continuous Miners only. It is assumed that extraction by Road Headers will have no planned dilution as the equipment is able to mine selectively to the dipping seam contact.

Figure 1: Plan view of revised Muga mining panels including access development and boundary constraints



The revised mine plan also incorporates the anticipated requirements of the environmental approval process, particularly related to subsidence controls and exclusion zones around towns, infrastructure and objects of significant cultural importance.

SRK reviewed the geotechnical characterisation work carried out by the Company and third-party consultants and completed FLAC3D numerical modelling to establish the optimum spacing and stable pillar dimensions for cross-cuts on retreat through the panel pillars to improve extraction ratios while maintaining a suitable Factor of Safety for pillars over the range of depths.

Processing approach

The detailed economic analysis supporting reasonable prospects for eventual economic extraction of the Mineral Resource assumes processing with conventional crushing, flotation and crystallisation.

The proposed beneficiation process consists of a hybrid of two conventional beneficiation processes for sylvinite ores, namely froth flotation and dissolution/recrystallisation. Flotation is applied to the coarse fraction of the feed ore after crushing, and dissolution/recrystallisation, which produces a higher quality product, is applied to fines and intermediate fractions in order to achieve an overall optimum level of recovery. Sufficient testwork has been conducted to support the development of the flowsheet. For the purpose of the Ore Reserve estimate 80% recovery, as validated by the metallurgical testwork, was used for the purposes of calculating the cut-off grade.

Economic factors

The assumed capital and operating costs used to report the Ore Reserve estimate are based on the Company's signed agreements with contractors, detailed quotes, or estimations made by the Company and its third-party consultants as used in the Muga Project Update statement of 15 October 2018, and therefore follow the same methodology described in that announcement.

The product sales assumptions and forecast pricing used to support the Ore Reserve estimate are also the same as used by the Company in the Muga Project Update statement of 15 October 2018. This approach assumes that 100% of the first phase of production is assumed to be sold into local and regional markets and for the second phase a conservative approach has been adopted which considers 25% sold into northern European markets and 25% to export markets. Forecast Potash prices are based on Argus Media's Q3 2018 dataset. The forecast used in the model for southern Europe price for 2020 is around €255-265/tonne and for the weighted average price for the mix of markets as described above that has been used for the life of mine in the financial model is around €360-380/tonne.

A flat €13/tonne for transport of sales product to the point of sale has also been applied in the economic assessment as well as a mine gate sales price of €27.5/tonne for de-icing salt tonnages. There are no mining royalties payable under Spanish law, therefore no mining royalties are considered as part of the review of the Ore Reserve estimate.

Social and environmental considerations

In addition to the statutory consultation required as part of the environmental approval process, the Company has implemented a comprehensive stakeholder engagement programme. This is based on a strategy that includes regular meetings with community leaders, community groups and an actively managed project website.

A range of environmental factors have been considered for the development of the Ore Reserve estimate. These include groundwater assessments, surface water management infrastructure, waste management, environmental controls around the temporary waste storage area and mining exclusion zones around surface infrastructure to mitigate against potential subsidence.

Approval assumptions

The Company is confident that it has completed all necessary work required for the environmental approval process and that it is towards the end of that process and it remains confident of receiving the environmental permit in due course. Assumptions on timing of Government approvals, considered by the Company and SRK as part of the review of the Ore Reserve estimate, are deemed to be commercial, market and process sensitive and have therefore not been included in this statement.

Peter Albert, Managing Director, commented: ***"We are delighted with the updated Ore Reserve estimate developed by Highfield Resources under the guidance and review of SRK.***

We aim to operate a profitable long-life potash mine and this Ore Reserve estimate adds additional certainty to our Muga Project Update. Furthermore, the technical and economic validity of mining potash at the Muga Project has been confirmed by SRK's independent report."

For more information:

Highfield Resources Limited

Peter Albert
Managing Director
Ph: +34 628 590 109

Olivier Vadillo
Investor Relations
Ph: +34 609 811 257

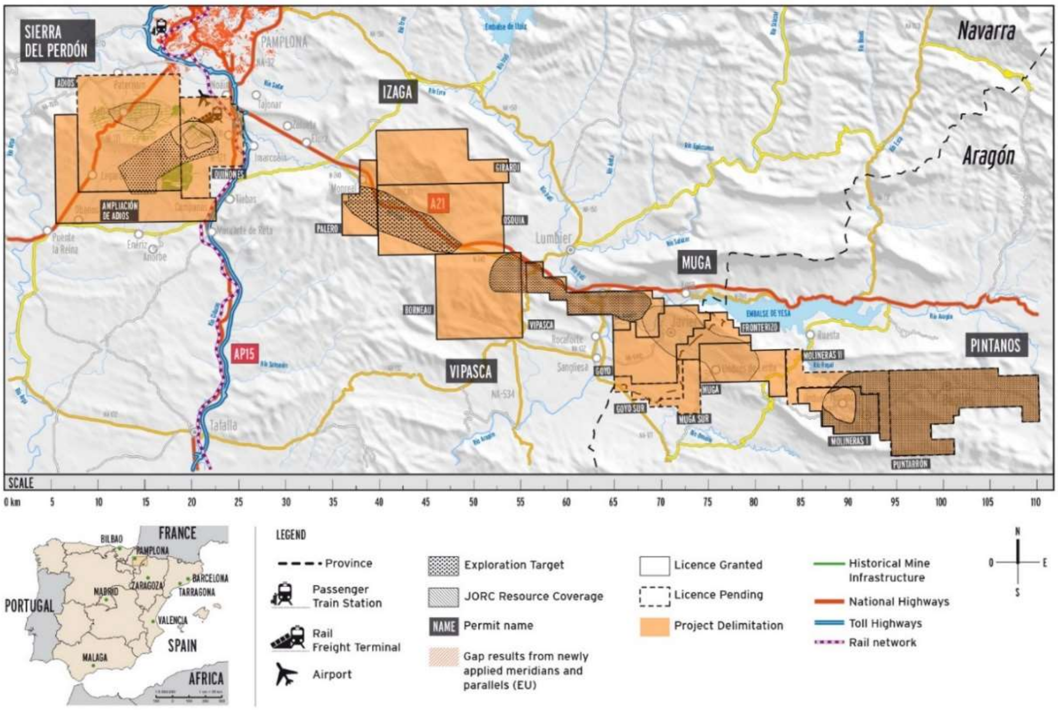
About Highfield Resources

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 around 500km^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 2: 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

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 publicaly 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) 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 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 (for example 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 muriate of potash (MOP) and sulfate of potash (SOP), 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 CPs 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 K_2O 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.

Criteria	JORC Code explanation	Commentary
		• 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 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 ($KCl{\bullet}MgCl_2{\bullet}6H_2O$), 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

Criteria	JORC Code explanation	Commentary
		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 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 CPs 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 CP 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% K2O 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 180 m and 1,400 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

Criteria	JORC Code explanation	Commentary
		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 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.	• 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 drillholes.

Criteria	JORC Code explanation	Commentary
	• Any assumptions about correlation between variables. • Description of how the geological interpretation was 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.	• 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 120º, parallel to the axis of the basin 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 cut-off grade 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 (that is, 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 (UK) Ltd. 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.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate as presented in the ASX announcement released on 10 October 2018 by the Company has been used as the basis for conversion to Ore Reserves as presented in Table 1. • The Mineral Resources presented are inclusive of those Mineral Resources converted to Ore Reserves. • SRK has restricted the Ore Reserve estimate to only Resources classified as Measured and Indicated.
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.*	• A site visit (21 to 23 November 2018) was specifically undertaken by John Merry to review the project site and undertake discussions with the in-country Geoalcali team on the Environmental and Social aspects and project permitting. John was accompanied on the site visit by Nuno Castanho for additional site familiarisation, discussions on mine planning and managing the data collection for the SRK team. The site visit by 'Other Experts' was considered sufficient to inform the CP to understand the status of the project and estimate of Ore Reserves from the updated Feasibility Study by the Company. The SRK geotechnical and mine planning team has had considerable interaction with the Geoalcali management and technical services team throughout 2018 to support revisions to the mine plan. • Anna Fardell (CP for Mineral Resources) visited the Muga Project in July 2017 as part of a separate commission to independently review the Mineral Resource estimate, visiting a number of drillhole collars and observed the drilling procedures, core storage and sampling procedures in the core yard.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The technical and economic viability of mining potash at the Muga Project has been confirmed by SRK's report "An Independent Technical Review of the Ore Reserve estimate for the Muga Potash Project, Spain" (January 2019). The type and level of individual studies that support the report have been carried out to an overall study status considered to be at Feasibility Level. • In SRK's opinion, the modifying factors applied in the are appropriate and the economic evaluation demonstrates the economic viability of the Ore Reserve under the currently assumed valid set of assumptions.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The cut-off grade utilised for mining is 8% K_2O with a maximum waste salt content of 30% based on earlier trade-off work by Geoalcali. • The geological model is used to target the optimal grouping of seams for maximum grade (%K_2O) limited by the minimum mining height with the appropriate extraction ratio applied.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• In the production panels, the tonnage and grade have been diluted with 15 cm in the roof and the floor. The seams are constrained by a minimum mining height of 2.1 m for the planned mining equipment. • The shallow dipping seams utilised a set of two parallel roadways as the main development access, one for fresh air intake and access and the other for exhaust ventilation and conveyor belt materials handling system. The mining method approach is a typical Room and Pillar ("R&P") panel layout. The room width was specified at 8 m and the height and pillar size would be determined by the total combined seam thickness, geotechnical constraints due to depth below surface and/or any equipment limitations. SRK notes that Geoalcali plans to mine the shallow dipping seams as a whole seam approach, including waste dilution between seams, in order to facilitate the extraction process and optimise the mining sequence. • The inclined potash seams in the NW of the deposit required an alternative mining approach, to the R&P panel layout used for the shallow dipping seams, to minimise dilution and maximise extraction, taking into consideration the geotechnical constraints and equipment limitations. An adaptation of the existing R&P method was considered for developing a practically achievable inclination for the roadways and mining rooms while maintaining the same production targets and utilising the same excavation and material handling method. • For the inclined seams the planned dilution effect was considered for extraction by Continuous Miners only. It is assumed that extraction by Road headers would have no planned dilution as the equipment is able to mine selectively to the dipping seam contact. • The revised mine plan also incorporates the anticipated requirements of the environmental permitting process, particularly related to subsidence controls and exclusion zones around towns, infrastructure and objects of significant cultural importance. • SRK reviewed the geotechnical characterisation work carried out by Geoalcali and third-party consultants and undertook FLAC3D numerical modelling to establish the optimum spacing and stable pillar dimensions for cross-cuts on retreat through the panel pillars to improve extraction ratios while maintaining a suitable Factor of Safety ("FoS") for pillars over the range of depths.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining*	• The proposed beneficiation process consists of a hybrid of the two conventional beneficiation processes for sylvinite ores, namely froth flotation and dissolution / recrystallisation. Flotation, the lower cost process, is applied to the coarse fraction of the feed ore after crushing, and dissolution / recrystallisation, the higher cost process but which typically produces a higher quality product, is applied to fines and intermediate fractions, in order to achieve an optimum level of recovery.

Criteria	JORC Code explanation	Commentary
	applied and the corresponding metallurgical recovery factors applied. • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• Sufficient testwork has been conducted to support the development of the flowsheet. The testwork has focused on flotation, as this process is more sensitive to the ore characteristics than is dissolution / recrystallisation, and because flotation makes the largest contribution to the overall recovery. The later stages of testwork have been conducted by a well-regarded and experienced laboratory. The testwork has tested the response of the two lithology types identified, as well as to a blend of these lithology types.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• Environmental approval and other permits: While Geoalcali is confident it is at the end of the environmental permitting process, the government is not following any time-bound process and there is a risk of further delays. There is also a suite of further permits required that will take time to work their way through the system. These can only be progressed following receipt of the DIA. Geoalcali has a dedicated group responsible for managing the permitting process which will help moderate this risk. • Environmental management: The groundwater study is currently being reviewed and updated based on further data collection which will be used to update the underground water management approach. • Waste Management: SRK understands that the current permitting process requires the ground surface to be clear of mine waste 20 months from completion of the Muga mine operation. In SRK's opinion some of this waste may need to be stored offsite. Geoalcali has a number of contingency plans available if there is not sufficient room to store mine waste in the underground mine and further detailed work should be completed to integrate the underground waste management approach with the revised mine plan.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• In SRK's opinion the layout and the scope of site surface infrastructure assets appear reasonable. The layout appears compact which will reduce footprint, costs for services connections and should optimise operating costs. • Access to the Project is via a gravel road linking to main national highways located a few kilometers from site. Spain has a well-developed national power grid system; power supply and distribution. • SRK understands that the Company has a detailed plan for land acquisition where necessary and has either acquired from, or is in advanced negotiations with, all land holders.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity*	• Capital costs have been calculated from a detailed capital cost plan. These costs are derived from signed agreements, detailed quotes, or estimations made by the Company and their third-party consultants. • Operating costs have been calculated from a detailed operating cost plan. These costs are derived from signed agreements, detailed quotes, or estimations made by the Company and their third-party consultants.

Criteria	JORC Code explanation	Commentary
	price(s), for the principal minerals and co- products. • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• SRK has recommended that the structure of productivity and cost estimates which inform the Company technical-economic model be better integrated in-line with the revised mine plan supporting the Ore Reserve estimate and has undertaken an internal check model. • The Company assumes 100% GMOP sales with 50% of total production sold in France, 25% sold to northern Europe and the final 25% sold to export markets. This is represented in the financial model as 100% of the first phase of production being sold to the French market and the second phase of production split considers 50% sold into northern European market and 50% to the export market. SRK has undertaken a price sensitivity to support the Ore Reserve estimate. A flat EUR13/t for transport to the point of sale has been applied by SRK under operating costs as applied by the Company as a deduction to the sales price. • A mine gate sales price of EUR27.5/t has been applied to the de-icing salt sales tonnages, as provided by the Company. • SRK understands that there are currently no royalties payable in Spain. The Company is not currently liable for any private royalties.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Final concentrate can be packaged as-is, yielding Standard MOP (“SMOP”), or granulated to produce Granulated MOP (“GMOP”). • Geoalcali has used market research from Argus Media Group (Argus) to develop its potash marketing strategy. SRK understands that Argus is a leading commodity price and market forecast reporting agency utilised by many potash industry participants. Their reports cover all aspects of potash supply, demand, marketing, potash logistics and pricing.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Detailed analysis on demand, supply and stocks for the potash sector are widely available in the public domain. SRK understands that price forecasts have been obtained from Argus.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• SRK has undertaken an economic viability test to assess and confirm the statement of Ore Reserves, as reported in this ITR, comprising 108.7 Mt at 10.2% K_2O, equivalent to 16.1% KCl. • SRK has used most of the assumptions as presented in the Company’s financial model as a basis for its own technical economic model. • The economic evaluation demonstrates the economic viability of the Ore Reserve under the currently

Criteria	JORC Code explanation	Commentary
		assumed valid set of assumptions
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• As well as the statutory consultation required as part of the EIA process, Geoalcali have implemented a comprehensive stakeholder engagement programme. This is based on a strategy that includes regular meetings with community leaders, community groups and an actively managed project website. • The one potential challenge for the Project will be the discrepancy in the distribution of taxes that arise from the project development. Currently all the surface infrastructure lies in the Navara province and this is where the bulk of the taxes will be paid Geoalcali is assessing the potential to develop some value-add processes (e.g. vacuum salt production) in the Aragón region. This will help with the generation of additional employment in this region but will not significantly alter the revenue imbalance. The distribution of monies by the foundation is another mechanism that can help with the rebalance. The management of the Foundation will require care going forward. Geoalcali might consider mechanisms for community representation in the selection of projects in the future.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• While Geoalcali is confident they are at the end of the environmental permitting process, the government is not following any time-bound process and there is a risk of further delays. There is also a suite of further permits required that will take time to work their way through the system. These can only be progressed following receipt of the DIA. Geoalcali has a dedicated group responsible for managing the permitting process which will help moderate this risk. • SRK understands that there is a low risk of flammable gas in the underground mine and explosion protected electrical equipment may need to be specified for certain underground areas.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• SRK's audited Ore Reserve statement is confined to those seams that are currently being considered in the revise mine plan. • Specifically, SRK has classed that material reported as a Measured Mineral Resource within the mining lease application and mine plan as a Proved Ore Reserve; and that material reported as an Indicated Mineral Resource within the mining lease application and mine plan, as a Probable Ore Reserve.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The technical and economic viability of mining potash at the Muga Project has been confirmed by SRK's report "An Independent Technical Review of the Ore Reserve estimate for the Muga Potash Project, Spain" (January 2019). • Anna Fardell (CP for Mineral Resources) previously visited the Muga Project in July 2017 as part of a

Criteria	JORC Code explanation	Commentary
		separate commission to independently review the Mineral Resource estimate which was stated in an ASX announcement release on 10 October 2018 by the Company.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which 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.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• SRK can confirm that the Ore Reserve defined in Table 1 of this report has been derived from the resource blocks provided to SRK and incorporates sufficient estimates for ore losses and dilution based on appropriate studies. • The cut-off grade utilised for mining is 8% K_2O with a maximum waste salt content of 30% based on earlier trade-off work by Geoalcali which is applied to the geological model is used to target the optimal grouping of seams for maximum grade (%K_2O) limited by the minimum mining height with the appropriate extraction ratio applied. • The revised mine plan also incorporates the anticipated requirements of the environmental permitting process, particularly related to subsidence controls and exclusion zones around towns, infrastructure and objects of significant cultural importance. • The large difference between SRK's audited Mineral Resource statement and its audited Ore Reserve statement is partly a function of the relatively low mining recovery inherent in the Room and Pillar mining method employed. It is also partly a function of the fact that SRK has limited the Ore Reserve statement to that portion of the Mineral Resource on which an appropriate level of technical work has been completed. In this case this relates to the LOM plan for the Resources only classified as Measured and Indicated.