Highfield Resources

**ASX Release**
**5 June 2014**

# MORE DRILLING SUCCESS AT HIGHFIELD RESOURCES´ POTASH PROJECTS

## Highlights

- **Potash mineralised interval of over 7m intersected in drill hole J13-08 in an area not currently included in Javier-Vipasca JORC Mineral Resource estimate**
- **Mineralised depths from surface of less than 250m demonstrated by J13-08 drill hole**
- **First modern drill hole at Pintano Project, P13-01, intersected mineralised interval of approximately 9m**
- **Initial Scoping Study results for Sierra del Perdón Project considering three ore options all extracted via conventional underground mining and decline access**
- **20th Spanish employee to be recruited by Pamplona head office in June**

Spanish potash developer Highfield Resources (HFR:ASX) (the "Company") is pleased to announce additional exploration results and project updates for its Javier, Pintano and Sierra del Perdón Potash Projects. All Projects are 100% owned and are located in Spain´s potash producing Ebro basin.

This month the Company expects to employ its 20th direct Spanish employee to work in the Pamplona head office to progress the potash projects towards development. The appointment is in addition to the Spanish drilling contractors, environmental consultants, process engineers, mining engineers, transport consultants, hydrological and geotechnical consultants, graphic designers, architects and construction managers that are consulting to or contracted by the Company.

Highfield is delivering the projects using Spanish expertise where possible and is demonstrating a commitment to the local community by locating its head office in Pamplona, the capital city of Navarra and a project office in Sangüessa, one of the municipalities covered by the Javier Project.

## Javier Potash Project

The Javier Project covers an area of 97km$^2$ in Northern Spain. Depths from surface to potash mineralisation are less than 300m. The Company released results of its PFS on 20 May 2014 that detailed a 20 year mine life at an average of 860k tonnes of K60 potash product per annum. Total capital expenditure was estimated at US$308m and delivered an after tax unlevered IRR of 48.4% and an $NPV_{10}$ of US$1.06bn.

### Drilling Results

The Company has recently completed drill holes J13-01 and J13-08. The J13-08 drill hole is particularly significant having intersected a mineralised zone of over 7m at depths from surface of less than 250m (Figure 1).

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ACN 153 918 257
ASX: HFR

**Issued Capital**
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103 million performance shares
21 million options

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Pedro Rodriguez

**Company Secretary**
Donald Stephens

**Figure 1: Photos of core in the field from DDH J13-08 showing potash mineralisation** (red)

The J13-08 drill hole is outside of the current JORC Measured and Indicated Mineral Resource area and close to 2km from the nearest historic drill hole (Figure 2). Drill hole J13-01 was also successful intersecting potash mineralisation of approximately 1m at a depth from surface of less than 300m. Both drill holes indicate potash mineralisation extends well into the south eastern section of the Project area. Core samples for both drill holes are being prepared for assay.

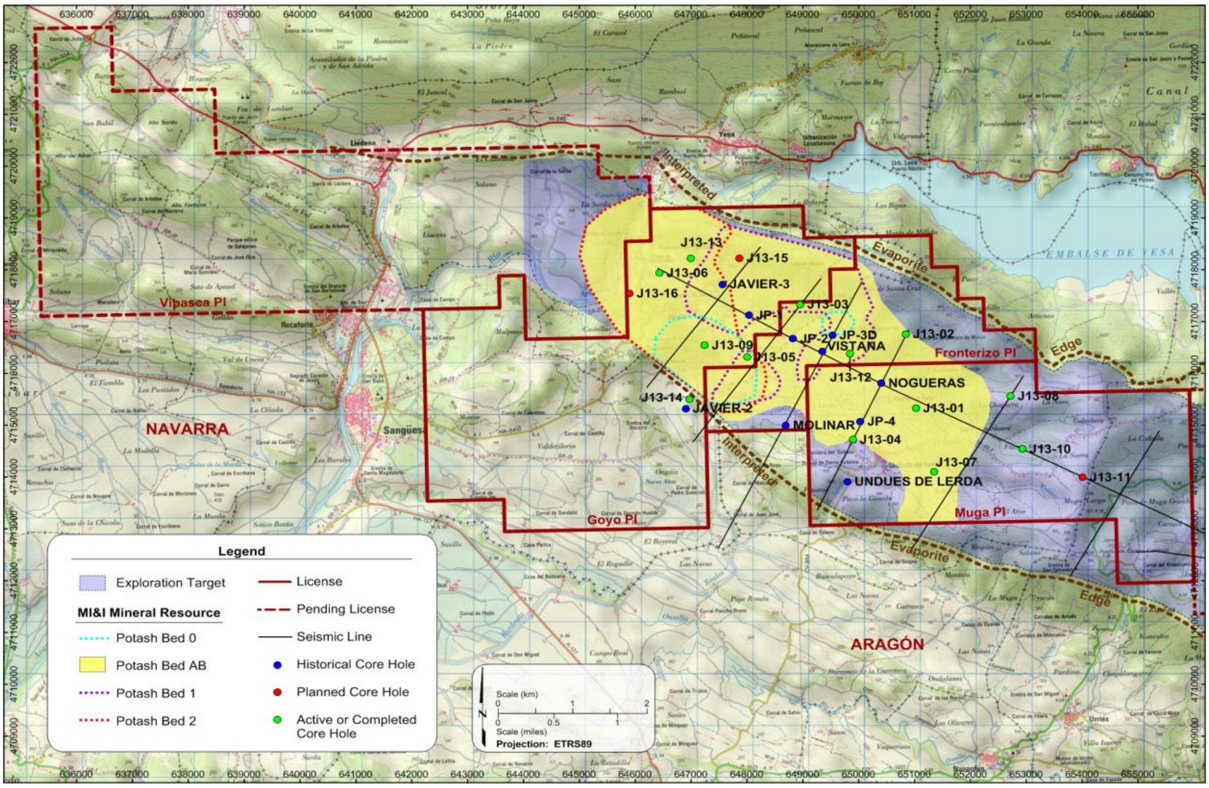


**Figure 2: Javier-Vipasca Project Area showing potash exploration drill holes and seismic lines**

**Upgraded JORC Mineral Resource Estimate**

The Company expects to release an upgraded JORC Mineral Resource estimate once the current drilling program is completed. At least ten drill holes will be completed and it is expected that these drill holes will benefit the JORC Mineral Resource estimate.

**Definitive Feasibility Study (DFS)**

The Company has commenced work on the DFS for the Javier Project. The DFS is expected to be completed in the second half of Calendar Year 2014.

## Pintano Potash Project

Highfield´s 100% owned Pintano project abuts the Javier-Vipasca project and covers an area of 125km$^2$ (Figure 3). Depths from surface to mineralisation commence at around 500m. The Company is building on substantial historical potash exploration information that includes seven drill holes and ten seismic profiles completed in the late 1980s.

**Drilling Program**

An initial eight hole drilling campaign has commenced that is designed to test and build on this historical information.

Drill hole P13-01 has been completed and intersected lithologies and correlatable beds similar to those in Javier-Vipasca, including an 8.9m mineralised zone selected for assay. Additional intervals have been selected for assay. Depths of beds are from 620m to 652m.

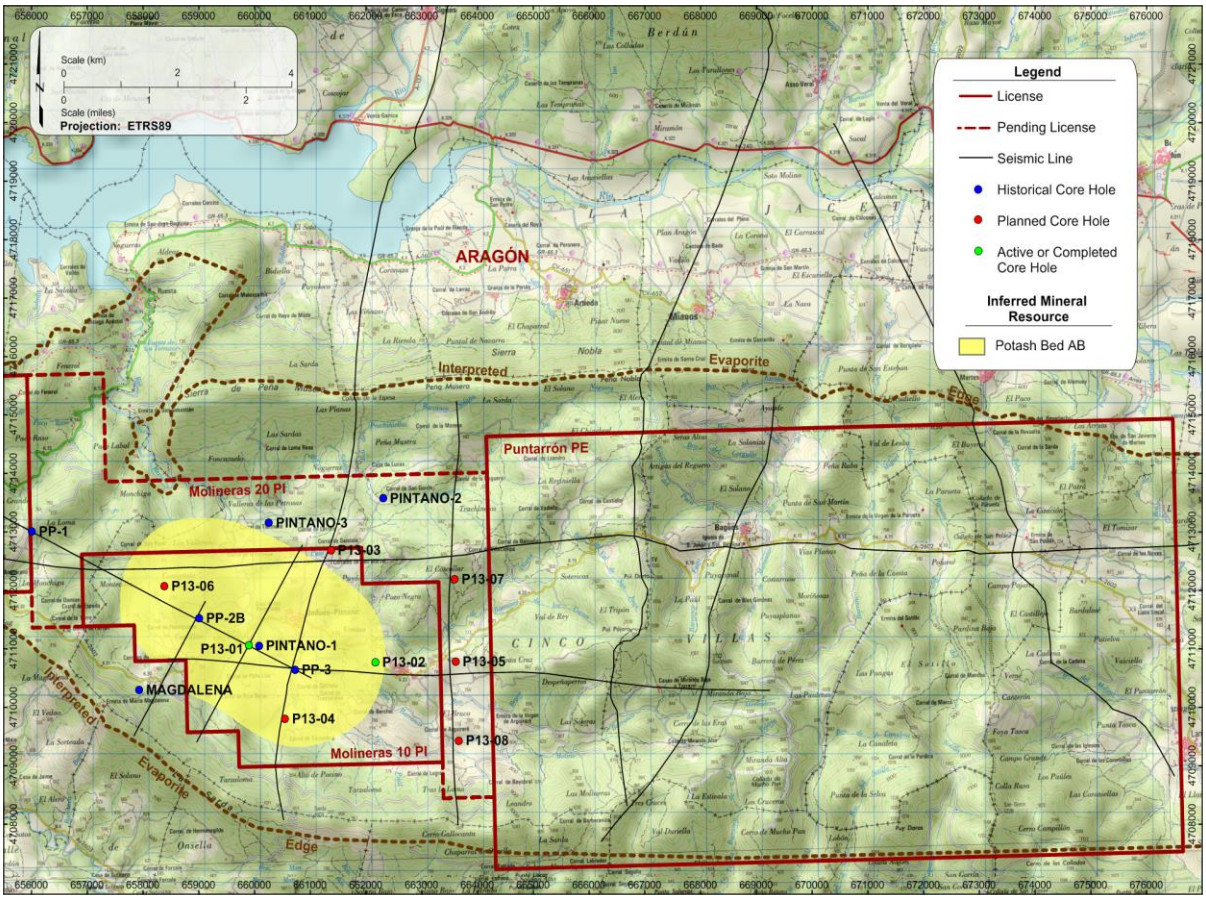


**Figure 3: Pintano Project Area showing potash exploration drill holes and seismic lines**

## Sierra del Perdón Potash Project

Highfield´s 100% owned Sierra del Perdón Project covers an area of more than 100km$^2$ in Northern Spain. It is located within 40kms of the Javier Project and hosts two former operating mines that produced over 10m tonnes of K60 potash product between 1963 and 1996[1]. Mineralisation at both mines was accessed via underground conventional mining via a decline with a conveyor belt system hoisting mineralisation to the surface via the decline.

### JORC Mineral Resource Estimate

Independent geology and mining consultant, Agapito Associates Inc, is preparing a JORC Measured and Indicated Mineral Resource Estimate. The Resource estimate is expected to be released during the September Quarter.

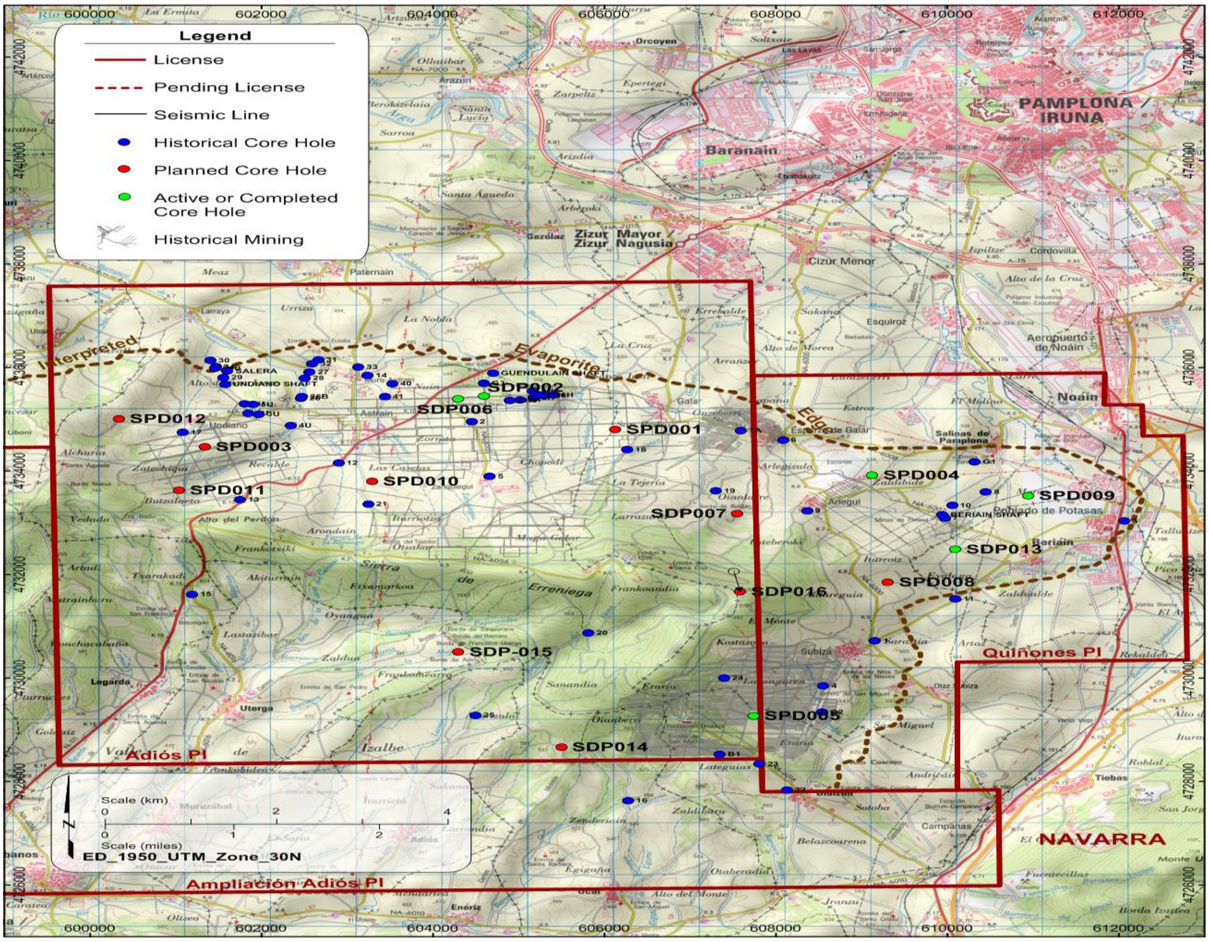


**Figure 3: Sierra del Perdón Project Area showing potash exploration drill holes and historic mine infrastructure**

### Scoping Study

The Company expects to complete a scoping study for the Project over the coming months.

Historical information and the initial drill hole results suggest potash mineralisation within the evaporate consists of three levels:

1. Upper carnallite
2. Lower carnallite
3. Sylvinite

This was demonstrated in the assay results from DDH SDP-004 released on 27 November 2013.

**Table 1: Assay results from DDH SDP-004**

**DDH SDP-004 POTASH GRADES (ICP analysis)**

| | | $K_2O$(%) | MgO(%) | $Na_2O$(%) | Cl(%) | $SO_3$(%) | CaO(%) | Water Insolubles |
|---|---|---|---|---|---|---|---|---|
| ***Potash Interval*** | **Average** | **11.47** | **5.70** | **23.43** | **43.86** | **2.96** | **4.27** | **14.53** |
| from 395.8 to 409.9 | max. Value | 31.30 | 12.85 | 49.90 | 64.60 | 7.16 | 9.99 | 47.74 |
| Wide: 14.1 | min. Value | 0.31 | 0.41 | 6.26 | 24.00 | 0.86 | 0.85 | 0.98 |
| ***Carnallite Seam*** | **Average** | **8.49** | **7.58** | **20.14** | **39.01** | **2.38** | **4.70** | **18.53** |
| from 395.8 to 405.1 | max. Value | 15.65 | 12.85 | 42.70 | 58.80 | 4.12 | 9.99 | 47.74 |
| Wide: 9.3 | min. Value | 0.66 | 1.60 | 6.26 | 24.00 | 0.86 | 1.08 | 2.50 |
| Upper Carnallite Seam | Average | 9.87 | 9.21 | 15.83 | 34.11 | 1.83 | 4.15 | 14.15 |
| from 397.7 to 400 | max. Value | 14.55 | 12.85 | 25.10 | 44.70 | 2.70 | 7.19 | 28.62 |
| Wide: 2.1 | min. Value | 6.37 | 6.27 | 7.67 | 24.00 | 0.86 | 1.08 | 2.50 |
| Lower Carnallite Seam | Average | 13.03 | 10.48 | 13.58 | 40.70 | 2.24 | 2.57 | 9.26 |
| from 402.4 to 405.1 | max. Value | 15.65 | 12.70 | 21.50 | 45.10 | 3.91 | 4.84 | 14.92 |
| Wide: 2.7 | min. Value | 9.26 | 6.94 | 6.26 | 35.00 | 1.44 | 1.78 | 3.00 |
| ***Sylvinite Seam*** | **Average** | **15.94** | **1.85** | **29.98** | **51.66** | **4.03** | **4.24** | **11.55** |
| from 405.1 to 409.9 | max. Value | 31.30 | 3.49 | 38.00 | 59.70 | 7.16 | 7.62 | 26.14 |
| Wide: 4.8 | min. Value | 0.31 | 0.41 | 41.20 | 58.70 | 1.87 | 0.85 | 0.98 |

Notes
1. Chemical analysis conducted by ALS Global (Galway, Ireland)
2. ICP (inductively coupled plasma) quantitative method
3. Intervals are cored intervals (versus true thickness intervals), conversion to true thickness pending updated structural model
4. Composite grades calculated as length-weighted averages

Importantly the sylvinite seam is below the carnallite seam and it appears possible to either selectively extract the syvlinite or alternatively to extract both the sylvinite and lower carnallite seams.

As part of the Javier Project PFS, Advanced Mineral Processing prepared a budget price option for a sylvinite only processing plant and associated equipment.

In addition to the sylvinite only option, process engineers from Canadian based, Hatch, have completed a scoping study level report into processing options and likely capital and operating costs for a combination of conventionally mined sylvinite and carnallite ores and carnallite only. Hatch was deliberately chosen by the Company given its experience with carnallite processing plants.

The Company expects to determine the best option in the second half of this Calendar Year post the completion of the proposed drilling campaign.

Based on the information received from both Advanced Mineral Processing and Hatch the Board expects the Project to demonstrate the compelling nature of underground conventional mining accessed via a decline and flotation circuit processing. Further strengthening the compelling proposition is rail infrastructure within five kilometres of the proposed processing plant sites, electricity, gas and water networks, and port options by rail within 100kms of the rail freight terminal.

**Historical Production**

The Company has recently sourced production records for the two former operating mines that date back to 1963. According to production records lodged with the Ministerio de Industria by Minas de Potasas de Navarra and Subiza and the Auñamendi Eusko Entzikilopedia a total of 54,393,158 tonnes of sylvinite and carnallite ore were extracted between 1963 and 1996. 10,239,497 tonnes of K60 potash were produced over the period. This represents a net recovered grade of 18.8% K60 potash product and suggests an undiluted grade of 22.1% K60 potash product or 13.3% $K_2O$ (based on a recovery rate assumption of 85%).

## Company Strategy

The Company continues to focus on progressing preliminary work on constructing mines at both its Javier and Sierra del Perdón Projects. Over the next six months the Company expects to complete a DFS for the Javier Project and a scoping study for the Sierra del Perdón Project.

The Company´s primary focus remains on completing actions to progress the development of its 100%-owned Spanish potash projects.

**For more information:**

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|---|---|
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1. Source: Annual Ministerio de Industria lodgements by Minas de Potasas de Navarra and Subiza and Auñamendi Eusko Entzikilopedia

## Competent Persons' Statement

This ASX release was prepared by Mr. Anthony Hall, Managing Director of Highfield Resources. The information in this release that relates to Mineral Resources and Exploration Results is based on information prepared by Mr. Leo J. Gilbride, P.Eng and Ms. Vanessa Santos, P.Geo. of Agapito Associates, Inc. (AAI) of Colorado, U.S. Mr. Gilbride is a licensed professional engineer in the State of Colorado, U.S. and is a registered member of the Society of Mining, Metallurgy and Exploration, Inc. (SME). Ms. Santos is a licensed professional geologist in South Carolina and Georgia, U.S., and is a registered member of the SME. SME is a Joint Ore Reserves Committee (JORC) Code 'Recognized Professional Organization' (RPO). An RPO is an accredited organization to which the Competent Person (CP) under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX. Mr. Gilbride is a Principal and Ms. Santos is the Chief Geologist with AAI and both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a CP as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Gilbride and Ms. Santos consent to the inclusion in the release of the matters based on their information in the form and context in which it appears.

## ABOUT HIGHFIELD RESOURCES

Highfield Resources is an ASX-Listed potash company with three 100%-owned projects located in Spain (Figure 4).

Highfield's Javier, Pintano and Sierra del Perdón potash projects are located in the Ebro potash producing basin in Northern Spain covering a project area of about 350km$^2$. The Sierra del Perdón project includes two former operating mines. The Company has completed a PFS for its Javier Project and is currently working towards completing a DFS by the end of the 2014 Calendar Year.

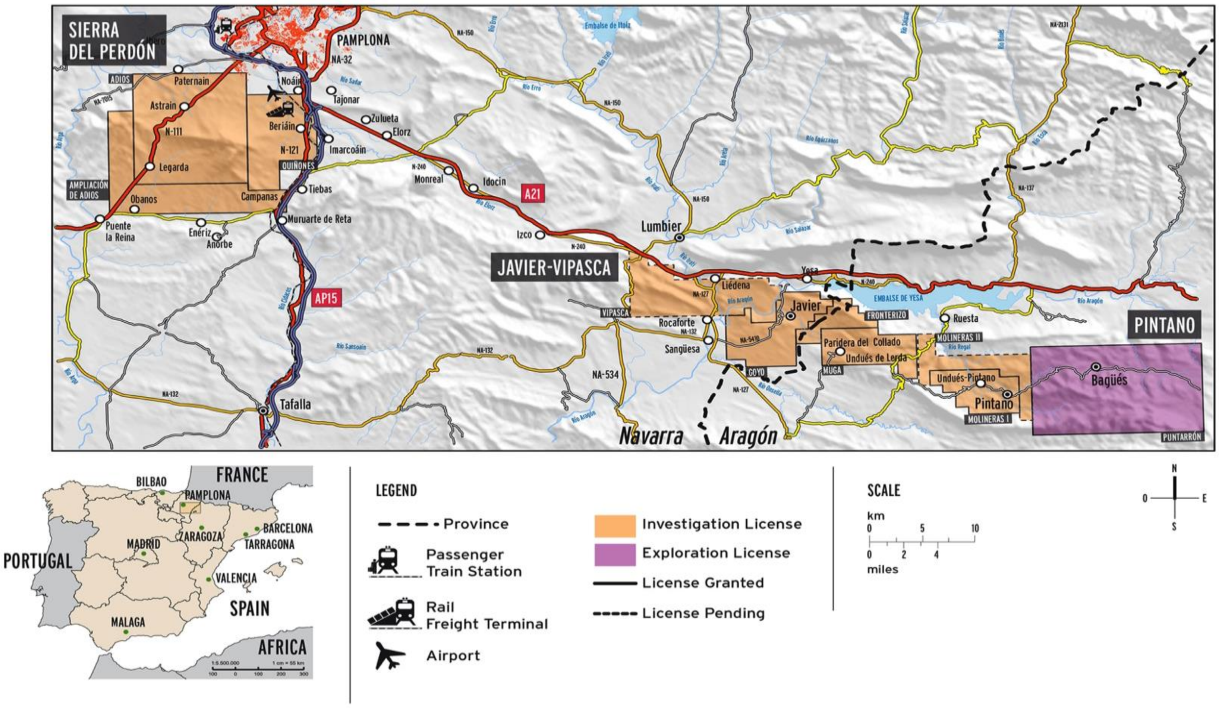



**Figure 4: Location of Highfield´s Javier-Vipasca, Pintano, and Sierra del Perdón Projects in Northern Spain**

# Appendix

## Explanatory Notes to the Exploration Results for the Javier-Vipasca and Pintano Potash Projects

## Property Description

The project area is located in the northern portion of Spain within the Ebro basin and is situated within the Navarra and Aragón provinces of Spain. The project area is divided into two sub-basins, Javier-Vipasca and Pintano, which are separated by an elevated saddle area. The Javier-Vipasca area occupies the western extent of the property, and the Pintano area is along the eastern extent (Figure 3).

## Tenure and Surface Rights

Spanish mining permits are split into three categories: Exploration Permit (PE), Investigation Permit (PI) and Mining Concession. A PE is for desktop studies and lasts for a period of one year (it may be rolled over once). A PI is necessary for drilling, allows for the sinking of shafts and driving of declines and lasts for a period of three years (it may also be rolled over for multiple three-year periods). For a PI to be granted, an environmental review must be completed by the relevant government. A Mining Concession is for mineral extraction and lasts for periods of 30 years (it may be rolled over two times).

In addition to the above, if a permit sits in two provinces, it must be formally issued by the Central Government in Madrid under Article 71.3 of the Spanish Mining Code.

The Javier-Vipasca property comprises four permits (Figure 2): Goyo, Fronterizo, Muga, and Vipasca. Goyo and Muga are granted PI in Navarra. Fronterizo straddles the Navarra and Aragón border and was granted 05 Feb 2014. Vipasca is a new application which was filed at the end of 2013, and it is not expected to be approved for the upcoming resource estimate. The CPs have reviewed the mineral tenure from documents provided by Highfield Resources (Highfield) (the "Company") including permitting requirements, but have not independently verified the permitting status, legal status, ownership of the project area, underlying property agreements or permits.

The Pintano property comprises two PI and one PE permits (Figure 3): Molineras 10 (PI), Molineras 20 (PI), and Puntarrón (PE). The Molineras 10 is under application and pending approval in 2014. Highfield is relied upon by the CPs for tenure status.

## Geology

The Upper Eocene potash deposits occur in the subbasins of Navarra and Aragón provinces within the larger Ebro basin (Figure A-1). The Navarrese subbasin includes the Javier and adjoining Pintano deposits, the former being the subject of this resource estimate. This potash deposit contains a 100-meter (m)-thick Upper Eocene succession of alternating claystone and evaporites (anhydrite, halite, and sylvite). The evaporites accumulated in the elongated basin at the southern foreland of the Pyrenean range (Busson 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, which created outcrops of the evaporite sequence. The possibility exists that basement-related faulting has resulted in repeated (or overturned) mineralized beds.

Two fault systems dominate and bound the basin, to the north by the extension of the thrusting Loiti Fault and to the south by the Magdalena Fault, both resulting in the cropping out of the evaporite units (Figure A-2). 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 Javier-Vipasca and Pintano subbasins. Approximately vertical faults parallel to the west of the Flexura have been defined by two-dimensional (2D) seismic surveys (e.n. adaro 1988–1991). Basin continuity to the west-northwest has not been well-defined by drilling programs or seismic surveys so far, but surface expression shows the evaporite outcrop as offset approximate to the Aragón River and trending northeast-southwest suggesting a smaller transverse block similar to the Flexura de Ruesta.

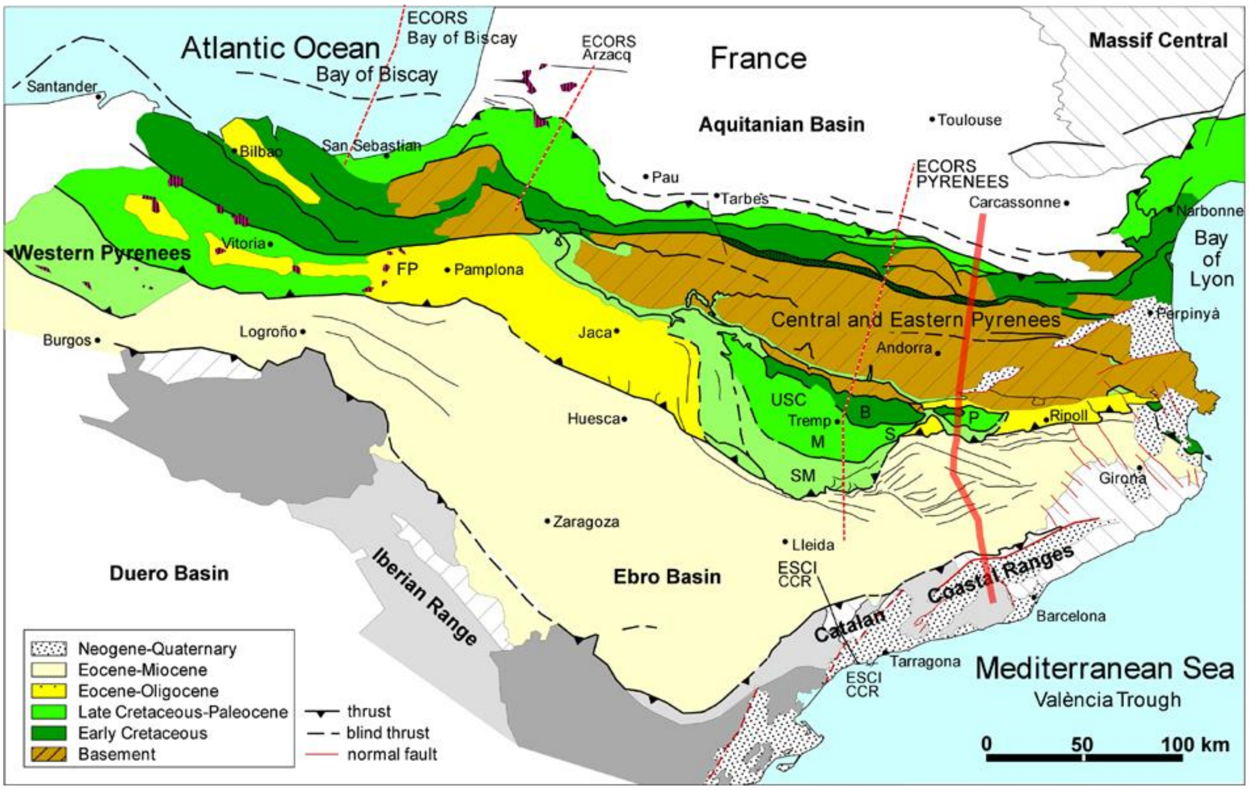



**Figure A-1. Regional Geology of the Ebro and Jaca-Pamplona Basin**
(from University of Michigan [2004])

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 characterized by restricted inflow, increased density, and increased salinity. Drawdown is simple evaporation in an isolated basin resulting in brine concentration and precipitation, consistent with 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 localized shallowing and sediment influx (Ortiz and Cabo 1981).

In the classic "bulls-eye" 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. It is proposed herein that the formation of carnallite and sylvite be described as primary and secondary, respectively.

Potash is used to describe any number of potassium salts. By and large, the predominant economic potash is sylvite: potassium chloride (KCl) usually occurring mixed with halite to form the rock sylvinite which may have a potassium oxide ($K_2O$) content of up to 63%. Carnallite, a potassium magnesium chloride ($KCl•MgCl_2•6H_2O$), 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 process, so it is less economically attractive than is sylvite.

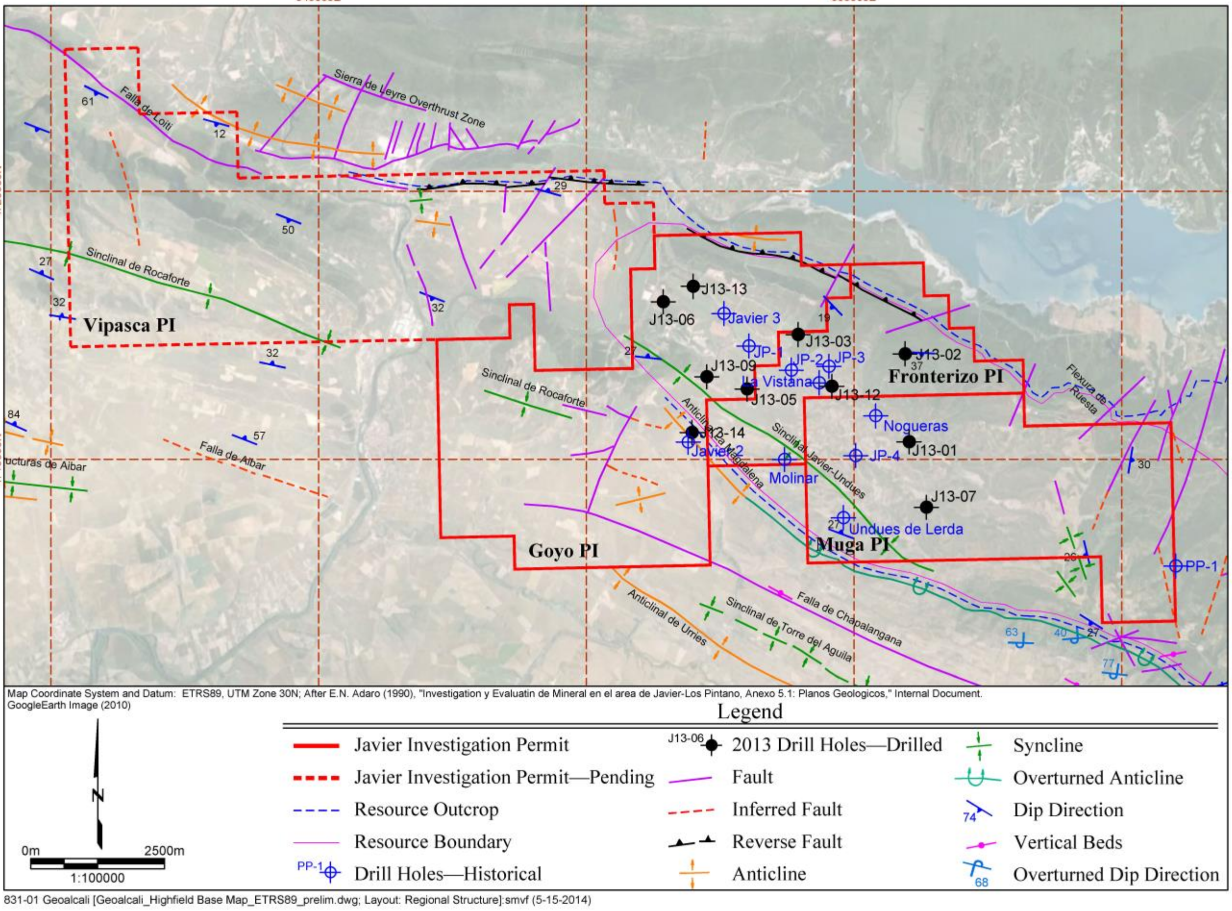
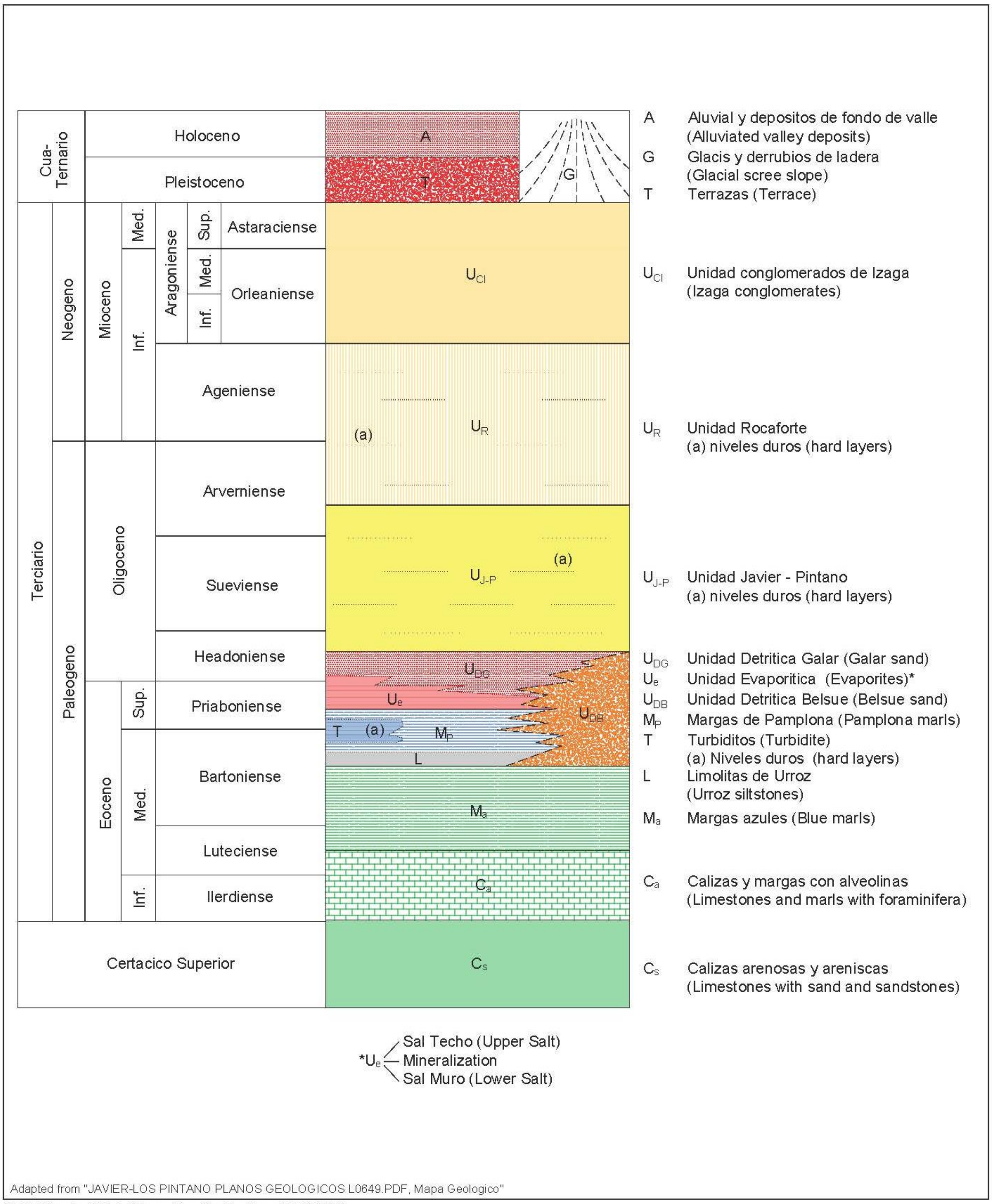



**Figure A-2. Javier-Vipasca Regional Structure and Drill Hole Locations**

The regional stratigraphy of this small basin is dominated by open and restricted marine conditions (Figure A-3). Evaporitic sedimentation (Guendulain Formation) directly overlies the fine marine offshore sediments (Pamplona Marls) (Ortiz and Cabo 1981, Orti et al. 1984). Both drill hole data and outcrop observations assign an average thickness of about 150 m to the saline formation, which displays the following sequence from bottom to top:

a) Basal sulfate member (basal anhydrite).
b) Lower salt member *(sal de muro* or "bottom salt"), medium to very coarse recrystallized halite, medium grey to black and lower part may be brown and sandy as described below.
c) Multiple sylvinitic beds lower member and a carnallitic upper member. The potash is characterized as fine to coarse granularity, typically light to medium orange red in color, of crystalline structure with high insolubles and interbedded halite. The upper unit exhibits brecciated structure suggesting recrystallization after carnallite formation. Carnallite formation is limited in the Javier-Vipasca project area and more commonly occurring in the Sierra del Perdón project area.
d) Upper saline member *(sales de techo* or "top salts"), alternating halite and clay layers, some of which exhibit deformation.
e) Top marl member *(margas fajeadas* or "banded marls") with intercalcated anhydrite layers.

Overlying the salt is a siliciclastic detrital unit, made up of the Oligocene Galar Sandstone, Javier-Pintano hard layers, the Oligocene-Miocene Rocaforte Formation and, locally, the Igaza Conglomerates (Uncastillo Formation. This unit is capped by Quaternary and Oligocene sediments. The Quaternary is made up of alluvium, glacial till and debris (Orti et al. 1986).




831-01 Geoalcali [Strat Column_Simplified.dwg]:smvf (2-14-2014)

**Figure A-3. Regional Stratigraphy of the Ebro Basin**

These units have been simplified in the geologic modelling database as:

- Unidad del Oligoceno (UO) for Lutitas y Limolitas
- Unidad Detritica (UD) for Areniscas de Galar / Belsúe and (MF) as Margas Fajeadas (MF)
- Unidad Evaporitica (UE) for Sales de Techo (ST) and Sal Muro (SM) or Sal (S)

In the Javier-Vipasca project area, the mineralogy is dominated by sylvinite, which is medium red orange and white, largely coarse crystalline in bands and in heavily brecciated beds containing high levels of 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 potash tend to dark grey to black. In some lower beds, halite become 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 recrystallization 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 crystallized and recrystallized salts, generally grey, sometimes light-to-medium honey brown or white, with anhydrite blebs, nodules, and clasts.

**Exploration and Methodology**

Extensive exploration was carried out originally by Potasas de Subiza, S.A. (POSUSA) through 1987 and later by Empresa Nacional Adaro Investigaciones Mineras (e.n. adaro) (e.n. adaro 1989–1991) in the late 1980s and early 1990s. Adaro, the state-owned group tasked with exploration and development of Spain's mineral resources, produced detailed reports and "reserve" studies of the Javier-Vipasca and Pintano areas. The drilling program completed in 1989–1990 was outlined in detail in reports that are referenced herein.

*Javier-Vipasca Property*

Potash mineralisation occurs in five principal sylvinite beds (descending 0, A, B, 1 and 2) with ranging in depth from approximately 100 meters (m) to more than 1,000 m. The 08 October 2013 maiden Mineral Resource estimate for the Javier-Vipasca property was independently developed by U.S. geology and mining consultants Agapito Associates, Inc. (AAI) based on the results of documented geological studies, 2D seismic analysis, exploration drilling, electric logging (elogs), and chemical analyses on core from exploration holes drilled during the 1980s by POSUSA (1987).

Eleven drill holes were drilled in the 1980s (see Table A-1) (one was drilled to replace an incomplete well), and, in early 1991, detailed lithology logs and assays were completed. Eleven new holes (see Table A-2) have been drilled and cored since 2013 by Geoalcali Sociedad Limitada (Geoalcali) for a total of 22 holes on the property. Assays are in process for holes J13-01, J13-07, and J13-08. Drilling is planned to commence on two more holes, J13-04 and J13-10, in June.

The potash beds have been correlated using a combination of assays, core photos, and lithological and geophysical logs. The beds vary in grade and thickness and can be discontinuous. From top to bottom, the principal beds begin with potash "zero" or P0. P0 is newly defined with this drilling program and is typically of a lower grade averaging less than 6% $K_2O$, where present. The bed designated as P0 is a transitional zone generally marked by low grade orange sylvinite and halite interbedded with light to medium grey and thinly bedded clay and marls exhibiting some cross-cutting veining and re-crystallization near the top of salt. In J13-09, P0 is well developed with an approximate 2.7-m true thickness (adjusted from apparent dip) averaging 11.7% $K_2O$, based on provisional bed correlations. P0 is of low grade in JP-4.

The main beds are PA and PB, which are generally the thickest, of highest grade, and most continuous across the basin. PA generally exhibits the highest degree of recrystallization and brecciation, and is likely the geologic equivalent of the carnallite bed in the Sierra del Perdón basin to the northwest. PA and PB are typically separated by about one meter or less of halite and, consequently, are treated as a combined single bed (PAB) for correlation purposes. PAB is typically of 9 to 13% $K_2O$ grade and has a thickness averaging about 3.6-m true thickness, where present. Thicknesses in this report are generally reported as true thickness, corrected from measured thickness.

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Table A-1. Javier-Vipasca Historic Drill Holes

| Drill Hole ID | Coordinates ETRS89 Easting (m) | Northing (m) | Elevation MSL (m) | Total Depth (m) | Date of Drilling Campaign* |
|---|---|---|---|---|---|
| Javier-2 | 646902 | 4715320 | 506 | 896 | pre-1987 |
| Javier-3 | 647567 | 4717718 | 500 | 592 | pre-1987 |
| JP-1 | 648035 | 4717117 | 475 | 731 | 1989-1990 |
| JP-2 | 648825 | 4716665 | 515 | 556 | 1989-1990 |
| JP-3 | 649528 | 4716734 | 574 | 455 | 1989-1990 |
| JP-3D (re-drill) | 649528 | 4716734 | 574 | 455 | 1991 |
| JP-4 | 650030 | 4715070 | 551 | 466 | 1989-1990 |
| Las Nogueras (NGR) | 650403 | 4715811 | 605 | 402 | pre-1987 |
| Molinar (MLN) | 648698 | 4714996 | 520 | 771 | pre-1987 |
| Undues Lerda (UDL) | 649522 | 4713974 | 600 | 616 | pre-1987 |
| La Vistana (VST) | 649347 | 4716428 | 537 | 466 | pre-1987 |

Note: ETRS89 = European Terrestrial Reference System 1989; MSL = mean sea level.

*Pre-1987 drill-hole locations could not be relocated and are taken from maps.

Table A-2. Highfield Resources Javier-Vipasca 2013–2014 Drilling Campaign

| Drill Hole ID | Start Date | End Date | Coordinates ETRS89 Easting (m) | Northing (m) | Elevation MSL (m) | Total Depth (m) | Investigation Permit |
|---|---|---|---|---|---|---|---|
| J13-01 | 1-May-14 | 15-May-14 | 651026 | 4715326 | 805 | 313 | P.I. Muga |
| J13-02 | 13-Mar-14 | 31-Mar-14 | 651254 | 4716804 | 716 | 306 | P.I. Fronterizo |
| J13-03 | 5-Aug-13 | 25-Sep-14 | 648952 | 4717328 | 554 | 421 | P.I. Goyo |
| J13-04 | ND | | 649893 | 4714720 | | | P.I. Muga |
| J13-05 | 28-Sep-13 | 6-Nov-13 | 648001 | 4716310 | 492 | 893 | P.I. Goyo |
| J13-06 | 12-Sep-13 | 9-Oct-13 | 646435 | 4717937 | 444 | 861 | P.I. Goyo |
| J13-07 | 22-Apr-14 | 6-May-14 | 651350 | 4714103 | 630 | 335 | P.I. Muga |
| J13-08 | 13-May-14 | 23-May-14 | 652853 | 4715346 | 851 | 318 | P.I. Muga |
| J13-09 | 15-Nov-13 | 12-Dec-13 | 647246 | 4716540 | 471 | 1,093 | P.I. Goyo |
| J13-10 | ND | | 652932 | 4714536 | | | P.I. Muga |
| J13-11 | ND | | 654010 | 4713992 | | | P.I. Muga |
| J13-12 | 11-Mar-14 | 19-Mar-14 | 649480 | 4716153 | 553 | 482 | P.I Muga |
| J13-13 | 11-Nov-13 | 3-Dec-13 | 646993 | 4718223 | 485 | 756 | P.I. Goyo |
| J13-14 | 14-Nov-13 | 23-Dec-13 | 646972 | 4715501 | 515 | 1,222 | P.I. Goyo |
| J13-15 | ND | | 647869 | 4718223 | | | P.I. Goyo |
| J13-16 | ND | | 645900 | 4717542 | | | P.I. Goyo |

Note: ND = not drilled. IP = in pogress.

P1 and P2 are generally thinner and more discontinuous than the overlying beds. Grade is variable in both beds and may be as high as 19% (in one 0.5-m intercept) but typically averages about 2 m thick and 8.7% $K_2O$. P1 or P2 are usually more banded in appearance than PAB and appear to represent earlier potash deposition in a deeper part of the basin. P2 may exhibit a pink color with decimated white anhydrite nodules and steep bedding.

The core in most holes exhibits sylvinite bands separated by minor beds and bands of orange salt, which, themselves are bound by larger salt-brecciated bands. High angle folding is occasionally evident in the core, suggesting variable steep structure and/or local deformation above the brecciated potash beds caused by secondary recrystallization.

In drill hole J13-08, bed P0 is present over a 2.1m interval interbedded with characteristic light coloured and thinly laminated beds of clays and marls. The bed is separated from the underlying PAB bed by 1.4m of sediment. PAB shows typical dark brecciated mineralization with minor banding over an interval of approximately 7.8m. Assay results to confirm thickness and grade are pending. J13-08 lies close to the northern basin edge, but a well-developed thickness of PAB suggests the area was a depositional low.

Drill hole J13-01 intersected bed P0 and what is interpreted as the PAB bed. P0 and PAB show considerable thinning at approximately 0.1m and 1.0m thickness, respectively, suggesting a local depositional high.

Exploration drilling results for earlier holes are summarized in Highfield's 1 May 2014 and 12 May 2014 ASX releases.

Additional lower beds may exist, as suggested in the logs from drill holes JP09 and JP13-13, but there is insufficient information to confirm whether these are new beds or repeated beds in the lower salt layers. Potash (and salts) are plastic and mobilize with faulting, folding, and recrystallization processes. In some cases, faulting is "basement" derived and can produce faulted or thrusted beds which attenuate up sequence in the salt beds. Additional drilling will help to determine the nature of these beds.

*Pintano Property*

Eight potash exploration holes were drilled (one was drilled to replace an incomplete well) on the Pintano property between the 1980s and 1991 (see Table A-3) by POSUSA and e.n. adaro. One modern hole, J13-01, (see Table A-4) has been drilled by Geoalcali starting in 2014, and a second hole, J13-02, is underway. Assays are in process for hole J13-01.

Potash mineralisation occurs in the same stratigraphic sequence described for the Javier-Vipasca property. The 20 November 2013 maiden Inferred Mineral Resource estimate for the Pintano property was independently developed by AAI based on the historical data produced by POSUSA (1987) and e.n. adaro (1989–1991).

P13-01 is the first modern hole drilled on the Pintano property. The lithologies are similar to those in Javier-Vipasca and the potash beds are correlatable to beds in Javier-Vipasca, including an 8.9m mineralized zone (depth 640m) selected for assay. Additional intervals have been selected for assay and confirmation of correlations is in process.

**Seismic Surveys and Structure**

A 2D high-resolution seismic survey was run for POSUSA in August–October 1988, by Compagnie Generale de Geophysique (CGG) over the Javier-Vipasca property. This consisted of 9 lines totalling 55 kilometers (km). Additional 2D seismic was run at an (unknown) later date, increasing the total available seismic survey data to 16 lines covering the majority of the Javier-Vipasca and Pintano properties, totalling 87.3 km (RPS Energy Canada Limited [RPS] 2013). The resulting structure maps for both the top (*techo*) and bottom (*muro*) of salt (Figure A-4) were developed by CGG in combination with the regional seismic, field maps, satellite imagery and drill hole data.

**Table A-3. Pintano Historic Drill Holes**

| Drill Hole ID | Coordinates ETRS89 Easting (m) | Northing (m) | Elevation MSL (m) | Total Depth (m) | Date of Drilling Campaign* |
|---|---|---|---|---|---|
| PP-1 | 656008 | 4713006 | 768 | 381 | 1989 |
| PP-2 | 659007 | 4711523 | 684 | 550 | 1990 |
| PP-2B (re-drill) | 659007 | 4711523 | 684 | 550 | 1990 |
| PP-3 | 660723 | 4710642 | 632 | 871 | 1990 |
| PINTANO-1 | 660080 | 4711052 | 660 | 694 | pre-1987 |
| PINTANO-2 | 662303 | 4713572 | 750 | 700 | pre-1987 |
| PINTANO-3 | 660259 | 4713154 | 635 | 670 | pre-1987 |
| MAGDALENA | 657928 | 4710293 | 800 | 381 | pre-1987 |

Note: ETRS89 = European Terrestrial Reference System 1989; MSL = mean sea level.

*Pre-1987 drill-hole locations could not be relocated and are taken from maps.

**Table A-4. Highfield Resources Pintano 2014 Drilling Campaign**

| Drill Hole ID | Start Date | End Date | Coordinates ETRS89 Easting (m) | Northing (m) | Elevation MSL (m) | Total Depth (m) | Investigation Permit |
|---|---|---|---|---|---|---|---|
| P13-01 | 9-Apr-14 | 8-May-14 | 659898 | 4711057 | 636 | 714 | P.I. Molineras 10 |
| P13-02 | 5-May-14 | IP | 662168 | 4710770 | 728 | IP | P.I. Molineras 10 |
| P13-03 | ND | | 661262 | 4712476 | | | P.I. Molineras 10 |
| P13-04 | ND | | 660441 | 4709593 | | | P.I. Molineras 10 |
| P13-05 | ND | | 663501 | 4710570 | | | P.I. Molineras 20 |
| P13-06 | ND | | 658276 | 4711863 | | | P.I. Molineras 10 |
| P13-07 | ND | | 663483 | 4711979 | | | P.I. Molineras 20 |
| P13-08 | ND | | 663557 | 4709220 | | | P.I. Molineras 20 |

Note: ND = not drilled. IP = in pogress.

RPS (formerly RPS Boyd Petrosearch) of Calgary, Alberta, Canada completed a re-interpretation in 2013 of the 2D historical seismic lines and profiles on behalf of Highfield. The re-interpretation program was designed to review the overall accuracy of the historical data in terms of good correlation to drill hole data and geological intersections, as well as identify any sub-surface structures that may adversely affect the salt-bearing strata. A total of 16 lines were reviewed and were tied to wells with historical wireline data. The paper copies of the seismic profiles 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, but only poor quality seismic data exist over these features.

The CPs used these structural data, but upon their review concluded they had more confidence in the original structure produced by CGG, which provided more complete detail.

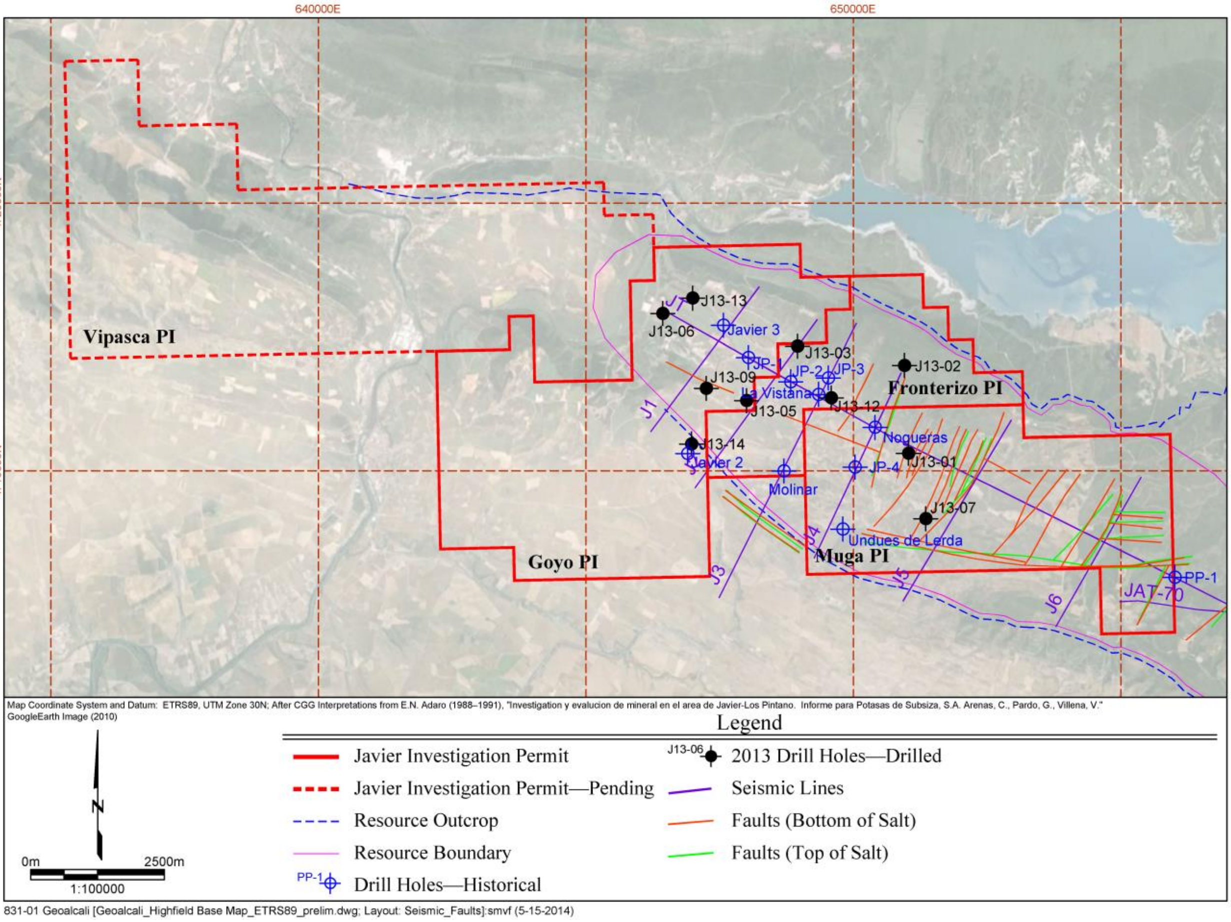


**Figure A-4. Seismic Detected Faults on Top and Bottom of Salt** (after CGG)

Two surfaces are defined in the current geologic/computer model: 1) the base of the salt and 2) top of the Pamplona Marls. The potash-bearing zones lack any velocity/density contrasts within the salt, so it is not possible to detect potash or map the structure of the zone directly. Seismic interpretation does not extend to the northwest part of the basin.

For the Javier-Vipasca property, depositional basin bounds are defined to the west at the east southeast-north southwest trending Rocaforte Syncline near the margin of the Aragón River. Associated with this syncline is the Sierra de Leyre anticlinal structure that overthrusts the Pamplona Marls Formation. This thrust and two reverse faults run approximately east-west. The first fault with the Pamplona Marls over Yesa turbidites and the second which runs makes the Yesa turbidites coincident with the Liedena Sandstone.

Along the south of the Javier-Vipasca property, the basin is bound by the La Magdalena Anticline and Fault, characterized by beds steepening to periclinal structure at the crest and then to overturned beds resulting from thrusting to the east, exhibited at the surface in sandstones of the Javier-Vipasca Formation. The Magdalena anticline is sub-parallel to the Javier-Undues Syncline in the western portion of the basin with gentle dipping on the northern flank; the southern flank dips increasingly to vertical and is overturned from Undues de Lerda to the Ruesta Flexure. The Flexure is marked by a series of bounding normal and transverse faults to define the eastern basin edge as it climbs to a saddle area between Javier-Vipasca and Pintano basins. The Pintano Syncline trends in the east-west direction for about 20 km and can be considered the continuation of the Javier-Vipasca eastern syncline.

The northern part of the Javier-Vipasca basin is defined by the extension of the Fault Loiti which also corresponds to the synsedimentary line between marine sediments within the basin to the Eocene-Oligocene continental sediments at the thrust front, resulting in cropping out of the evaporites.

The first deposits in the region at the end of the Cretaceous period were characterized 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 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, 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 in the Bartoniense series, are sourced from the east initially into the Pintano basin and contained by the flexure and then from the northwest into the basin as the Belsue Formation, indicative of continued subsidence.

The formation of the evaporites is further influenced by the basin restriction, and paleo highs and lows which are perhaps defined by block faulting as well as the main structural basin bounds.

A detailed interpretation of structure is in progress for the Pintano property.

**Quality Control and Data Confirmation**

The 2013–2014 drilling program has been operated by Highfield personnel. Details of the sampling techniques and oversight of the quality control program are summarized in Table A-5.

The CPs reviewed the available historical geophysical logs to compare estimated $K_2O$ from natural gamma and/or spectral gamma logs versus the assayed values. Comparisons show good agreement, indicating that gamma can be a good indirect measure of $K_2O$ content.

Highfield and ALS Global, the primary contract laboratory, maintained quality control procedures of standards, duplicates, and blanks. Highfield made multiple Standard or Certified Reference Material-type (SRM or CRM) samples representing low-, medium-, and high-grade (LG, MG, HG) potassium material, but the insertion rate is insufficient to determine repeatability and calibration of the target instrumentation. SRM samples, blanks, and duplicates were inserted, both by Highfield personnel during sample preparation and by ALS as part of their own quality assurance/quality control (QA/QC) program. ALS insert commercial standards BCR-113 and BCR-114 both potash fertilizer materials, a muriate of potash (MOP) and sulfate of potash (SOP), respectively, as well as their own internal standard, SY-4, a diorite gneiss used as a blank material. The insertion rate is one blank, one SRM, and one lab duplicate per 20 samples or batch.

ALS assayed samples both by inductively coupled plasma (ICP) and X-ray fluorescence (XRF). In general, the ICP and XRF techniques show reasonable agreement with the XRF method exhibiting modestly elevated $K_2O$ values of over the ICP method.

Duplicates were submitted to ALS and ICP results show good internal agreement. Check samples were tested at SRC. In general, SRC reports $K_2O$ values lower than reported by ALS. Because ALS and SRC show good internal agreement, the bias suggests a calibration issue.

Supporting analytical details appear in Highfield's 1 May 2014 ASX release.

**Additional Work**

Additional drilling and geological modelling is ongoing to continue to define and expand the resource.

A regional Transient Electromagnetic Sounding (TEM) geophysical program is planned to define the continuity of the salt package. Combined with data obtained from the drill holes by Vertical Electrical Soundings (VES), the program is intended to define the regional thickness and extent of the evaporite layer using resistivity.

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Table A-5. 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.* | • Eleven historic drill holes (see Table A-1) (one was drilled to replace an incomplete well) were drilled in the 1980s and in early 1991 detailed lithology logs and assays on core were completed. Eight new holes (see Table A-2) were drilled, cored, and assayed in 2013 and early 2014 by Geoalcali Sociedad Limitada (Geoalcali) for a total of nineteen holes on the property to be used in the upcoming resource. A ninth hole, J13-07 was completed in May of this year and has yet to be assayed. An additional hole, J13-01 is currently being drilled. Geoalcali is a 100% owned Spanish subsidiary of Highfield Limited (Highfield).<br>• The historic drilling program resulted in compiled reports which are referenced in Appendix—Explanatory Notes to the Exploration Results for the Javier-Vipasca Potash Project. The historic programs, in general, were well-documented.<br>• The new drill holes were geologically logged, photographed, and assayed. Some of the holes were geophysically logged through the mineralized zone. Following logging and photographing, samples are marked and numbered for assay. Core is sawed with hydraulic oil as the lubricating agent; half core is retained and shrink-wrapped, and samples to be assayed are bagged and secured with plastic ties and boxed for shipping to ALS Minerals (ALS) for crushing, grinding and splitting. Cored samples are assayed by inductively coupled plasma-optical emission spectrometry (ICP-OES) and X-ray fluorescence (XRF) by ALS Laboratories (ALS). Sample preparation is in Seville, Spain and assay work is completed in Loughrea, County Galway, Ireland. ALS has documented methodology and quality assurance/quality control (QA/QC) protocol.<br>• The historic holes contributed to a maiden Joint Ore Reserves Committee (JORC) Inferred Resource in September 2013 (Stirrett and Mayes 2013). Of the historic holes, a comparative study to re-assay to test the quality and accuracy of the historical assays showed moderate agreement. Re-sampling of three mineralized drill holes was completed by independent advisor North Rim Exploration Ltd (North Rim). The re-sampled assay results for J-3, Nogueras (NGR), La Vistana (VST) individually showed large degrees of variation from the historical results, but with |

Highfield Resources

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | an average difference of 3.68% $K_2O$ overall. The results are documented in an internal report to Highfield (Stirett and Maye 2013) and discussed in more detail in "Quality of Assay" section here. The report is referenced herein.<br>• Geophysical logs available on four historic holes (JP-1, 2, 3, and 4) were compared to the assay results to test the validity of those data. The Javier Pintano project area is abbreviated as "JP." |
| ***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 historic Javier holes drilled prior to 1987 include drill holes J-2, J-3, VST, NGR, Molinar (MLN), and Undues de Lerda (UDR).<br>• The drilling program completed in 1989–1990 was outlined in detail by Empresa Nacional Adaro Investigaciones Mineras (e.n. adaro 1989–1991). Adaro, the state-owned group tasked with exploration and development of Spain's mineral resources, produced detailed reports and "reserve" studies of the Javier-Vipasca area.<br>• Historic drilling was completed with the Mayhew 1500 drill 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 drill hole. Approximately 2,208 meters (m) were drilled in Javier, not accounting for some re-drilling in JP-3 and JP-4. For JP-3 and JP-4, the mineralized zone was drilled into and not cored for assay. 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 assay sets 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, or 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.<br>• In 2013, a drilling program was initiated in Javier. In some cases, holes were cored from surface, and in others, the holes were open holes drilled to the top of salt. 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | was contracted to Geonor Servicios Tecnicos S.L. of Galicia, Spain (4 holes) using a Christensen CS3000 and Forida Golden Bear and Sondeos y Perforaciones Industriales del Bierzo (SPI) (J13-09, SPRDrill 260). Drilling was supervised by Highfield geologists. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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 historic program is not available but the assay data are largely complete over the mineralized zones.<br>• Core recovery on the 2013–2014 drilling campaign averaged greater than 95% in the mineralized zones although some samples show dissolution due to undersaturated brine mud. Typically these samples are thought to underreport 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.<br>• Core sampling procedure is well-documented in the 2013–2014 drilling program. |
| ***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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Lithology logs were completed for the historical drilling programs. The 1989–1990 drilling program included Javier and Pintano wells: JP-1 to JP-4, PP-2/2B, and PP-3. The sample intervals were comparable to industry standards (generally <30 centimeters [cm]) but the methodology is unknown. Thirty centimeters 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. Assay intervals for the unknown (pre-1987) drilling program used a much larger sampling interval (up to 2.44 m) for NGR, VST, and J-3.<br>• In the modern program, cuttings were collected and core was logged, photographed, sampled, and assayed approximately 0.3-m lengths. Core point, if not coring from surface, was generally within the banded marls above the salt and was completed at the base of the salt at the anhydrite marker bed to ensure complete coring through the salts and the mineralized zones. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* | • On the historic holes, groove samples were taken for assay 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 |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | and Maye 2013) conducted a re-assay of available holes to test the validity of the historic data, as discussed below in "Quality of assay data and laboratory tests."<br>• On the 2013–2014 drilling campaign core holes, samples were halved and quartered, with a quarter sent for assay. 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 millimeter [mm]), but in the case of difficult drilling conditions, coring was reduced to HQ (63.5 mm) as was the case for J13-13 (at 642 m depth below the mineralized zone) and J13-09 (from 484 m depth) and J13-06 (at 458 m). |
| ***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.*<br>• *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.*<br>• *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 570 assays. The results were obtained through the internal Potasas de Subiza S.A. (POSUSA) lab and were analysed for KCl, MgCl2, 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.<br>• No original assays are available for the pre-1987drilling program. Results for P-1, J-3, VST, and NGR are summarized from the e.n. adaro comprehensive reports (e.n. adaro 1989–1991). These drill holes were only analyzed for KCl, and therefore lack results pertaining to MgCl2 (to determine carnallite content) or insolubles. UDR was not assayed and its mineralisation reported to be of "insignificant grade." In this case, mineralisation was interpreted to be <5% $K_2O$ in the PAB main bed, as representative of the sampling cut off at the time, based on a review of e. n. adaro's assay results.<br>• The "grooving" technique on the historic assay 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | program is unknown as is the identity of the lab that conducted the geochemical analyses.<br>• A resampling program was carried out by North Rim (Stirrett and Mayes 2013). Re-sampling on VST, NGR, and J-3 was carried out at the Litoteca de Sondeos in Spain, the state-run core lab. North Rim noted that large intervals of core were not present or missing for both VST and NGR, and thus could not be re-sampled. North Rim attempted to duplicate the historic sample intervals; their methodology is described below:<br>o For the re-sampling of historic 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 drill hole number and a sample number (i.e., J3-583RS). An "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.<br>o In the re-assayed sampling program, the correlation plot between the historic 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | 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.<br>○ In the 2013–2014 sampling program, assay was by ICP-OES and XRF.<br>○ Highfield and ALS, the primary contract laboratory, maintained quality control procedures of standards, duplicates and blanks. SRM, blanks and duplicates were inserted, both by Highfield personnel during sample preparation and by ALS as part of their own QA/QC program.<br>○ ALS inserted commercial standards BCR-113 and BCR-114 both potash fertilizer materials, a MOP (Muriate of Potash) and SOP (Sulfate of Potash), respectively, as well as their own internal standard as a blank material SY-4, a diorite gneiss.<br>○ Duplicates were submitted to ALS and show good internal agreement.<br>○ Highfield made multiple Standard or Certified Reference Material-type (SRM or CRM) samples representing low-, medium-, and high-grade (LG, MG, HG) potash material, but the insertion rate is insufficient and outside round-robin testing is too limited to make reasonable conclusions as to accuracy and precision. Insertion rate is one blank, one SRM, and one lab duplicate per 20 samples or batch.<br>○ Check samples were tested at SRC. In general, SRC reports $K_2O$ values lower than ALS reports. Because ALS and SRC show good internal agreement, this suggests a calibration issue. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.* | • The re-sampling program of historic cores was carried out under the supervision of North Rim and documented in a report to Highfield. The goal of the geochemical re-sampling program was to acquire sufficient confidence in the historical assay data to develop a JORC Code-compliant Mineral Resource estimate. Only three drill holes with cored intervals containing potash mineralisation were available for re-sampling within the project area: VST, NGR, and J-3. |

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| Criteria | JORC Code explanation | Commentary |
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| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • AAI reviewed the available historical geophysical logs (run by Schlumberger) to compare estimated $K_2O$ from natural gamma and/or spectral gamma logs versus the assayed value, which showed very good agreement.<br>• ALS assayed samples both by ICP and XRF. In general, ICP analysis shows adequate agreement with assays 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 resource estimation.<br>• Highfield receives all assay data 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. AAI independently graphed the QA/QC data.<br>• A database was built from the historic drill hole information by Highfield and checked by AAI against the historic reporting of assays and intervals listed on the lithologic logs.<br>• The master database was checked against the ALS-issued Certificates of Analysis (COA). |
| ***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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Historical collar locations were re-located in most cases and re-surveyed. Some historic collars could not be located as many were drilled on agricultural land. Historic drill hole location maps consistently show locations and so suggest confidence in the hole coordinates. Specifically JP-1, JP-2, JP-4, UDL, MLN, and Javier 3 could not be relocated. Historic data and maps are referenced to the ED50 datum and have been updated to the ETRS89 datum for compatibility with modern survey information.<br>• All new locations from the 2013–2014 drilling program are surveyed before and after drilling by a licensed surveyor. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *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.* | • Exploration drill hole spacing is illustrated on the scaled maps in Figures 2 and 3. Samples have been composited over the thickness of identified potash beds for the reporting of exploration results. Potash bed names are provisional pending regional correlations. |

| Criteria | JORC Code explanation | Commentary |
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| | • *Whether sample compositing has been applied.* | • Data spacing and distribution adequacy will be discussed in the context of the pending Mineral Resource estimate when reported. |
| ***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.*<br>• *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.* | • Some deviation data were available in the 2013–2014 drilling program.  In building the new database, apparent bed dips from the lithology logs were incorporated from historic and new holes to attempt to correct to true bed thickness.<br>• Historic 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.<br>• The regional structure is discussed in more detail in “Geology” but structural dip is interpreted from regional the CGG “base of salt” map and new drill hole control.  The deposit is bedded but the historic seismic maps show mostly vertical faults parallel to the Flexura de Ruesta, propagating to the west as well as up through the top of salt.  An historic structure map with fault offsets is used for the interpretation of bed orientation.  Further, it is well known that the  northern Loiti Fault System and the south Magdalena system and anticline result in cropping out and overturning of the evaporites and steep dips are interpreted in parallel to these structures, again in conjunction with drill hole data where available. In the case of J13-02, the salt bed thins considerably and potash mineralisation is absent; this is interpreted as a basin high or the basin edge. J13-12, drilled in 2014, shows good geologic agreement with the nearby historic holes La Vistana and JP 3-D.  P0 shows weak mineralisation but PAB shows 12% grade of composited $K_2O$ in a 4.3-m true thickness, P1 is 17.5% grade with a 0.6-m thickness and P2 contains very low grades.  This compares to La Vistana PAB at 11.1% grade and 4.5-m thickness, P1 is 12.1% grade of $K_2O$ at 1.7 m thickness, P2 shows 10.4% $K_2O$ and 2-m thickness. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • In the 2013–2014 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. |

| Criteria | JORC Code explanation | Commentary |
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| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • Besides the re-sampling program carried out by North Rim, AAI compared historic assay 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.)

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| ***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.<br>• 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. | • Property descriptions and land status were obtained from the list of lands as set forth in the documents provided by Highfield.<br>• The Javier-Vipasca property is comprised of four permits (see Figure 2). Goyo is a granted Investigation Permit (PI) in Navarra. Muga is a granted PI with a modification to reduce its size to only cover the extent of the evaporite. Fronterizo straddles the Navarra and Aragón border and its PI was granted 05 Feb 2014. Vipasca is a newer application applied for at the end of 2013 and is not expected to be approved in time for this resource estimate.<br>• The Pintano property comprises two PI and one PE permits (Figure 3): Molineras 10 (PI), Molineras 20 (PI), and Puntarrón (Exploration permit [PE]). The Molineras 10 is under application and pending approval in 2014.<br>• The CPs have reviewed the mineral tenure from documents provided by Highfield including permitting requirements, but has not independently verified the permitting status, legal status, ownership of the project area, underlying property agreements or permits. Therefore, AAI has fully relied upon, and disclaims responsibility for that information.<br>• Exploration and exploitation of mineral deposits and other geological resources 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 categorized into four sections under the Spanish law (A, B, C, and D), and must have mining authority authorization and supervision for commercial exploitation. Section C |

| Criteria | JORC Code explanation | Commentary |
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| | | 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 mineral resource 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.<br>• 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.<br>• 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 publically released for community discussion. To carry out work under the investigation permit, the permittee must contract with the individual the landowners to allow for access and occupation of the land during the exploration.<br>• 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 authorized by the proper mining authorities in Spain. |
| ***Exploration done by other parties*** | • Acknowledgment and appraisal of exploration by other parties. | • The historic drilling program completed in 1989–1990 was outlined in detail by e.n. adaro (1989–1991). Adaro, the state-owned group tasked with exploration and development of Spain's mineral resources, produced detailed reports and "reserve" studies of the Javier area.<br>• 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 |

| Criteria | JORC Code explanation | Commentary |
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| | | with a combined total thickness of 2.0 to 8.0 m (Stirrett and Maye 2013). The potash horizons in the area were identified to cover approximately 160 square kilometers (km2) at depths of approximately 500 m sub-surface, unless they were brought closer to surface by anticlinal or tectonic structures (Stirrett and Maye 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 Maye 2013). The exploration efforts later led to the development of a mine near Pamplona and Beriain.<br>• Production at Pamplona began in 1963 with a capacity of 250,000 tonnes per year of $K_2O$. A thick carnallite member overlies the sylvinite, so in 1970 a refinery with the capacity for 300,000 tonnes per year was built to accommodate for carnallite from the Esparza (Stirrett and Maye 2013). Carnallite mining was ceased in 1977. Inclined ramps for the mine were located near Esparza, reaching the center 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. |
| ***Geology*** | • Deposit type, geological setting and style of mineralisation. | • The Upper Eocene potash deposits occur in the subbasins of Navarra and Aragón provinces within the larger Ebro basin (Figure A-1). The Navarrese subbasin includes the Javier and adjoining Pintano deposits, the former being the subject of this resource estimate. This potash deposit contains a 100-m-thick Upper Eocene succession of alternating claystone and evaporites (sulfate, halite, and sylvite). The evaporites accumulated in the elongated basin at the southern foreland of the Pyrenean range. 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 progressing to a restricted environment dominated by evaporation and the deposition of marl, gypsum, halite and potassium minerals. Later tectonism and resulting salt deformations formed broad anticlines and synclines and overturned beds, resulting in cropping out. The |

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| | | possibility exists that basement-related faulting has resulted in repeatedly overturned mineralized beds.<br>• Two fault systems dominate (Figure A-2) and bound the basin, to the north by the extension of the thrusting Loiti Fault and to the south by the Magdalena Fault, both resulting in the cropping out of the evaporite units, resulting in alteration to gypsum. The basin axis is defined by the Javier-Undues Syncline. To the east, the basin climbs to the Flexura de Ruesta believed to be a northwest-southeast offset block resulting in a higher saddle area between the Javier and Pintano subbasins. Basin continuity to the west-northwest is not well-defined by drilling or seismic.<br>• 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.<br>• The surface, defined as the base of the salt and top of the Pamplona Marls, will be used in the new geologic/computer model. 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.<br>• Potash is used to describe any number of potassium salts. By and large, the predominant economic potash is sylvite: a KCl usually found mixed with salt to form the rock sylvinite which may have a $K_2O$ content of up to 63% in its purest form. Carnallite, a potassium magnesium chloride (KCl•MgCl2•6H2O), is also abundant, but has $K_2O$ content only as high as 17%. “Carnallite” is used to refer to the mineral and the rock interchangeably, although “carnallitite” is the more correct terminology for the carnallite and halite mixture. Besides being a source of lower grade potassium, carnallite involves a more complex production path, so it is less economically attractive.<br>• 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 |

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| | | 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 1995). In this case, the basin is further influenced by erosion at the basin edges due to contemporaneous and post-depositional uplift, resulting in localized shallowing and sediment influx. (Ortiz and Cabo 1981). In that classic model, a basin that is cut off from open marine conditions will experience drawdown by evaporation in an arid to semi-arid environment. In the absence of sediment influx, precipitation will proceed from limestone to dolomite to gypsum and anhydrite to halite. Depending on the composition and influences 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.<br>• In the Javier-Vipasca project areas, the mineralogy is dominated by sylvinite, 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 potash tend to 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 recrystallization 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 crystallized and re-crystallized salts, generally grey, sometimes light to medium honey brown or white, with anhydrite blebs, nodules and clasts. |
| ***Drill hole information*** | • A summary of all information material to the understanding of the exploration results including a | • Table A-1 shows the historic drill holes and Table A-2 show the drill holes from the 2013–2014 drilling program including planned holes. |

| Criteria | JORC Code explanation | Commentary |
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| | tabulation of the following information for all Material drill holes:<br>○ easting and northing of the drill hole collar<br>○ elevation or RL (Reduced Level—elevation above sea level in metres) of the drill hole collar<br>○ dip and azimuth of the hole<br>○ down hole length and interception depth<br>○ hole length.<br>• 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. | |
| ***Data aggregation methods*** | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut off grades are usually Material and should be stated.<br>• 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.<br>• The assumptions used for any reporting of metal equivalent values should be clearly stated. | • Composites by weighted average were made from the geochemical data to optimize grade and thickness of the mineralized seams in both the new and historic data. Composites are summarized by bed and hole in Table A-3.<br>• This press release includes some picks that are preliminary and further drilling will add confidence. Some potash zones could not be correlated across the basin.<br>• All potassic values are in $K_2O$ percent. Most cations are reported as oxides and water-soluble material on a percent basis. ICP and XRF testing reports are in elemental values, but the industry standard is to report in oxides. |
| ***Relationship between mineralisation*** | • These relationships are particularly important in the reporting of Exploration Results. | • Some deviation data were available in the 2013–2014 drilling program. In building the new database, apparent bed dips from the lithology logs were incorporated from historic and new holes to attempt to correct to true vertical bed thickness. In |

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| Criteria | JORC Code explanation | Commentary |
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| ***widths and intercept lengths*** | • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.<br>• 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'). | some cases high angled bedding is noted within the potash beds but may be an indication of recrystallization of carnallite to sylvinite, resulting in a volume reduction largely by the hydrous component of carnallite. In those cases, apparent dip was reduced to reflect the bed below or above the potash which in most cases was less steep.<br>• In the absence of deviation surveys, historic holes were assumed to be vertical. Data on bed orientation were incorporated into the database to calculate apparent true thickness. |
| ***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 1 and 2 illustrate Highfield's Javier-Vipasca and Pintano properties showing the current JORC Mineral Resource footprints.<br>• Figure A-4 shows the Javier-Vipasca regional structure and location of drill holes. |
| ***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 avoid misleading reporting of Exploration Results. | • Detailed exploration drilling results from individual holes appear in Highfield's 1 May 2014 ASX release. |
| ***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). Additional 2D seismic was run at a later date (unknown) increasing the total available seismic to 16 lines, totalling 87.3 km (RPS 2013).<br>• RPS of Calgary, Alberta, Canada completed a re-interpretation of the 2D historical seismic lines and profiles on behalf of Highfield. The re-interpretation program was designed to review the overall accuracy of the historical data in terms of good correlation to drill hole 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 |

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| | | historical wireline data from the 2D seismic RPS. The paper copies of the seismic were digitized as the original tapes were unavailable.<br>• 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 the Javier and Pintano areas, separating them geologically.<br>• The surface defined as the base of the salt and top of the Pamplona Marls was used in the current geologic/computer model. 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. |
| ***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).<br>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | • Drilling is ongoing to continue to define and expand the resource. J13-07 was completed in the central western part of the basin and intersected a potash bed estimated to be 4.5m thick at 282m depth. Two new Javier-Vipasca holes are the subject of this release (J13-01 and J13-08) (see Figure 2). J13-01 is located north and slightly west of J13-07, and southeast of Nogueras. J13-08 lies close to the northern basin edge. Both holes demonstrate mineralisation continuity to the east.<br>• P13-01 has been completed and is the first modern hole drilled in the Pintano Project area (see Figure 3).<br>• J13-01 intersected P0, and what is interpreted as PAB, but shows considerable thinning at 0.1m, and less than 1.0m thickness, respectively, suggesting a depositional high.<br>• Bed P0 is present over as 2.1m interval interbedded with the characteristic light coloured and thinly laminated beds of clays and marls. It is separated from the underlying PAB bed by 1.4m of sediment. PAB shows the typical dark brecciated mineralization with minor banding over an interval of about 7.8m. Assay results and downhole geophysical review to confirm thickness, grade, and correlations are pending.<br>• Drill hole P13-01 has been completed and intersected lithologies and correlatable beds similar to those in Javier-Vipasca, including an 8.9m mineralized zone |

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| | | selected for assay. Additional intervals have been selected for assay. Depths of beds are from 620m to 652m.<br>• A regional transient electromagnetic sounding (TEM) geophysical program is planned to define the continuity of the salt package. Combined with data obtained from the drill holes by vertical electrical soundings (VES), the program will define the regional thickness and extent of the evaporite layer by using resistivity. |

### Section 3 Estimation and Reporting of Mineral Resources

No new information regarding the estimation and reporting of mineral resources is presented. The reader is directed to the 16 May 2014 ASX release.

### Section 4 Estimation and Reporting of Ore Reserves

No mineral reserves are reported.