ASX Release
24 April 2017

MARCH 2017 QUARTERLY ACTIVITIES REPORT

Overview

- Highfield's updated environmental submission to Spanish environmental regulatory body, MAPAMA, progressing well with no significant areas of concern for the Company
- Positive engagement with relevant referral institutions and MAPAMA with respect to the environmental declaration for Muga Potash Mine continues
- MAPAMA chose to extend the response submission date to 2 May 2017
- Mining review complete and contractor tender preparation underway
- Detailed design and engineering of wet process plant 90% complete
- Work continues to develop and prepare internal systems and processes for construction
- Two new drill holes completed at Pintanos Project with broad mineralised zones encountered in P16-03
- One new drill hole commenced at Sierra del Perdón

Financial Status:

- Cash at bank as at 31 March 2017: A$69.8m.

Plans for June Quarter 2017:

Muga Potash Mine:

- Submit formal responses to MAPAMA
- Continue to compile documents for the approval process and prepare for the commencement of construction once approvals are received

Other Projects:

- Drilling to test exploration targets at Sierra del Perdón Project
- Advancement of strategies for de-icing and vacuum salt sales

Highfield Resources Ltd.
ACN 153 918 257
ASX: HFR

Issued Capital
323.0 million shares
48.5 million options
50.0 Performance B Shares

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Muga Potash Project

Overview

Highfield Resources (ASX: HFR) ("Highfield" or "the Company") is a Spanish potash developer. The Company's flagship Muga Potash Project ("Muga" or "the Project") is targeting the relatively shallow sylvinite beds in the Muga Project area that cover about 80km^2 in the Provinces of Navarra and Aragon Mineralisation commences at depths from surface of less than 200 metres and is ideal for a relatively low-cost conventional mine accessed via a dual decline, as demonstrated in the Company's Muga Project Optimisation Study completed in November 2015 (refer to ASX announcement dated 17 November 2015).

Permitting Update

As reported, on 16 December 2016, the Ministry of Agriculture, Fishing, Food and Environment (MAPAMA), which is the body responsible for the award of the Declaración de Impacto Ambiental (DIA) for the Project, requested responses from Highfield on the matters raised by the various referral authorities within three months.

On 8 March 2017, the Company advised it had received correspondence from MAPAMA informing it that MAPAMA had decided, of its own accord, to provide an extension to the submission due date. This extension gives Highfield until 2 May 2017 to submit its responses, with the possibility of a further 45-day extension should it be required.

During the March 2017 quarter, Highfield continued its positive engagement with the referral authorities conducting numerous meetings to ensure feedback was being received and incorporated into the formal submission documents. Highfield reiterates that no new areas of concern have been identified and expects to submit its responses on or before 2 May 2017.

The Company remains confident of receiving its DIA and subsequent Mining Concession for the Muga Project in due course.

Muga Mine Development Progress

At quarter end, the detailed design and engineering of the wet process plant was approximately 90% complete. No further work will be undertaken in this area until closer to construction commencement. This work was completed by Hatch, a Canada-based multinational engineering firm which has extensive potash expertise.

Engineering of the dry area of the process plant (drying, glazing and compacting) is being currently being undertaken by Ludman Industries and their partner Millcreek. Basic engineering is nearing completion and is expected to be finalised in the June 2017 quarter.

During the period, the internationally recognised mining and metals consultancy, SRK Consulting (UK), commenced preparations for a tender process for the appointment of a contract miner for Muga. Works include a full review of mine design and planning, contract preparation, contractor pre-qualification and tender process preparation. This work is ongoing.

Acciona continued to work closely with the Company on further refining the scope of work, schedule and costs for Muga in preparation for start of construction and which will support the execution of fixed price lump sum construction contracts.

Project Financing

During the quarter, the Company continued its dialogue with its Project Finance syndicate with respect to the credit approved €185 million facility for Muga. It also engaged with other potential providers of capital.

Highfield remains confident of having full debt financing requirements in place on, or immediately after, receipt of approvals to support a final investment decision and the commencement of construction.

Pintanos Potash Project

Highfield´s 100%-owned Pintanos Project (see Figure 1) abuts the Muga Project and covers an area of 60km^2. Depths from surface to mineralisation commence at around 500 metres. The Company is building on substantial historical potash exploration information which includes seven drill holes and ten seismic profiles completed in the late 1980s.

Exploration

During the March 2017 quarter, the Company completed two diamond core exploration drill holes at Pintanos. For a map of drill hole locations refer to **Figure 2**.

Drillhole **P16-03**, which targeted deeper mineralisation in the north-eastern extent of the ore body, encountered 19.2 metres of potash mineralisation with an average grade of 6.31% K_2O from 702 metres below surface. This included 2.4 metres with an average grade of 12.87% within the upper interval from 706 metres below surface. For more detailed information please refer to Appendix **Table 2**.

Drill hole **P13-06**, which was designed to test the western periphery of the Pintanos ore body did not intersect potash. The western edge of the Pintanos deposit is adjacent to Muga but separated from Muga by a faulted zone known as the Ruesta Faults. It is believed that the presence of the Ruesta Faults may have historically allowed water to flow through the potash mineralised areas, causing a wash-out or barren zone. This corresponds with similar drilling completed on the eastern edge of the Muga Potash deposit.

Sierra del Perdón

Highfield´s 100%-owned Sierra del Perdón ("SdP") Project (see Figure 1) is located south east of Pamplona and covers approximately 145km^2. SdP is a brownfields project with a potash mine operating from the 1960s through until the late 1990s producing nearly 500,000 tonnes of K60 MOP per annum. The Company completed a Scoping Study on SdP (refer ASX announcement 20 April 2015) which confirmed the technical and economic viability of the project.

During the March 2017 quarter, the Company commenced a small exploration drilling program at Sierra del Perdón. Results from this program are expected in the June 2017 quarter.

Other Projects

The Company has two additional 100%-owned projects in the basin (see Figure 1) – Vipasca and Izaga.

Limited work was carried out on these projects during the Quarter.

Managing Director – Amendment to Engagement Arrangements

The Board has determined that Group Managing Director, Mr Peter Albert, be provided with a €10,000 per month in-country residency allowance. The allowance is in line with that provided to his predecessor and will be effective from 1 September 2016, Mr Albert's commencement date. The allowance is payable while Mr Albert and his family reside in Pamplona, Spain and will enable the Company's leadership of the Muga Project to be based fulltime in Pamplona and be part of the local business community.

No changes have been made to Mr Albert's base salary or to his short term or long term variable performance based incentives.

Mr Albert is responsible for leading the Company through the approvals process and into the construction and operational phases for it its flagship Muga Potash Mine.

Corporate

Cash Position

As at 31 March 2017, the Company had A$69.8 million in cash on its balance sheet.

For more information:

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About Highfield Resources

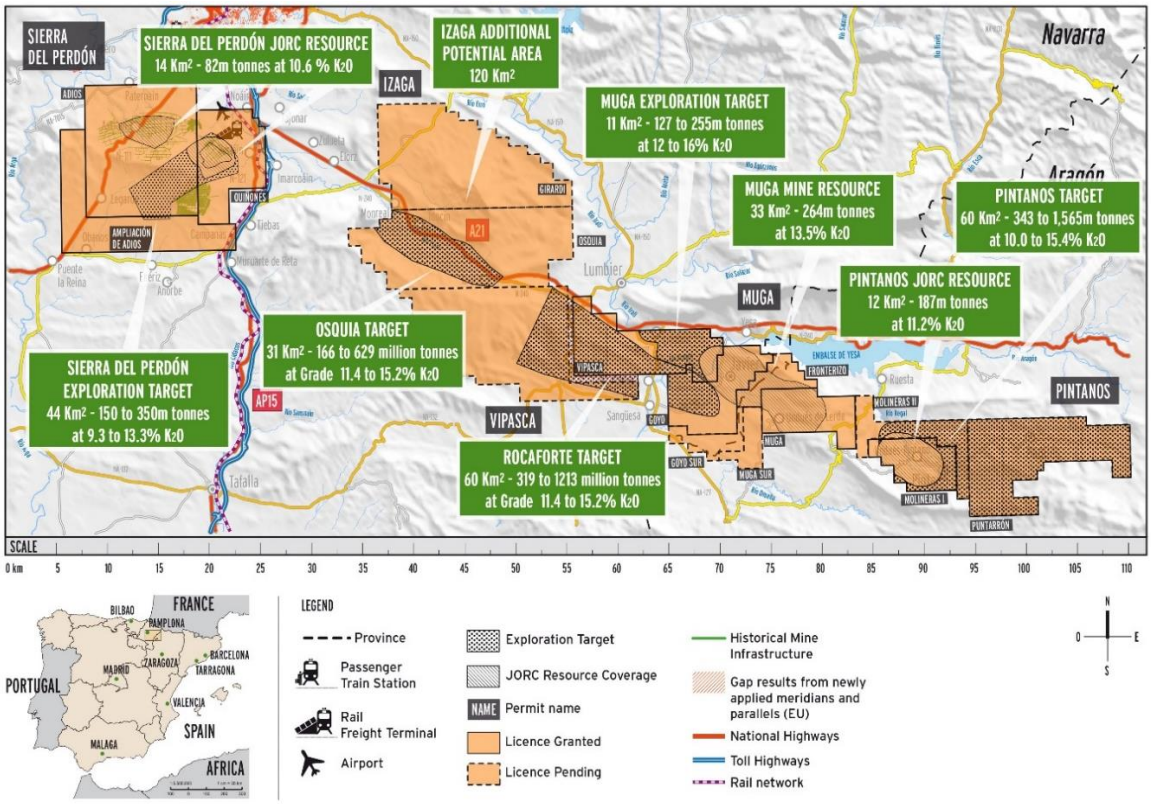
Highfield Resources is an ASX listed potash company with five 100%-owned projects located in Spain.

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

The Company completed a Definitive Feasibility Study for its flagship Muga Project in March 2015, which was optimised in November 2015 to enhance operational efficiencies, sales and marketing activities and the life of mine. Highfield is awaiting a positive environmental declaration which will enable it to commence construction of the Mine.

In addition to the existing Muga Project, Highfield also has significant Exploration Targets for an extension to Muga, as well as for the Vipasca and Pintanos Potash Projects.

Figure 1: 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

This ASX release was prepared by Mr. Peter Albert, Managing Director of Highfield Resources. The information in this release 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.; Mr Jesús Fernández Carrasco, Managing Director of CRN, S.A; and Mr Manuel Jesús Gonzalez Roldan, Geologist of CRN, S.A. Mr José Antonio Zuazo Osinaga and Mr Jesús Fernández Carrasco are licensed professional geologists in Spain, and are registered members of the European Federation of Geologists, and 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 they are 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.

Table 1: Summary of Highfield's Mineral Interests as at 31 March 2017

Project	Region	Permit Name	Permit Type	Applied	Granted	Ref #	Area Km^2	Holder	Structure
Sierra del Perdón	Navarra	Quiñones	Investigation	19/07/2011	7/08/2012	35760	32.48	Geoalcali SL	100%
Sierra del Perdón	Navarra	Adiós	Investigation	19/07/2011	7/08/2012	35770	75.60	Geoalcali SL	100%
Sierra del Perdón	Navarra	Ampliación de Adiós	Investigation	26/10/2012	14/02/2014	35880	40.90	Geoalcali SL	100%
							148.98		
Muga	Navarra	Goyo	Investigation	19/07/2011	24/12/2012	35780	27.72	Geoalcali SL	100%
Muga	Navarra	Goyo Sur	Investigation	25/07/2014	Pending	35920	8.96	Geoalcali SL	100%
Muga	Aragón	Fronterizo	Investigation	21/06/2012	5/02/2014	Z-3502/N-3585	9.80	Geoalcali SL	100%
Muga	Aragón	Muga	Investigation	29/05/2013	7/04/2014	3500	20.40	Geoalcali SL	100%
Muga	Aragón	Muga Sur	Investigation	25/09/2014	Pending	3524	7.28	Geoalcali SL	100%
							74.16		
Vipasca (Muga)*	Navarra	Vipasca	Investigation	6/11/2013	11/12/2014	35900	38.92	Geoalcali SL	100%
Vipasca (Izaga)*	Navarra	Osquia	Investigation	28/04/2015	12/01/2017	35970	57.42	Geoalcali SL	100%
Vipasca	Navarra	Borneau	Investigation	28/04/2015	12/01/2017	35960	80.33	Geoalcali SL	100%
							176.67		
Pintanos	Aragón	Molineras 10	Investigation	20/11/2012	6/03/2014	3495/10	18.20	Geoalcali SL	100%
Pintanos	Aragón	Molineras 20	Investigation	19/02/2013	Pending	3495/20	16.80	Geoalcali SL	100%
Pintanos	Aragón	Puntarrón	Investigation	8/05/2014	Pending	3509	30.24	Geoalcali SL	100%
							65.24		
Izaga	Navarra	Girardi	Investigation	28/04/2015	26/01/2017	35950	38.57	Geoalcali SL	100%
							38.57		
*Permit includes areas in two Projects						**Total**	**503.62**		

Location: All permits are located in Spain.

Holder: Geoalcali SL is a 100%-owned Spanish subsidiary of Highfield Resources Limited.

Changes: Permit applications for Permits *Osquia*, *Borneau* and *Girardi* were approved during the period.

Figure 2: Pintanos Exploration Drilling

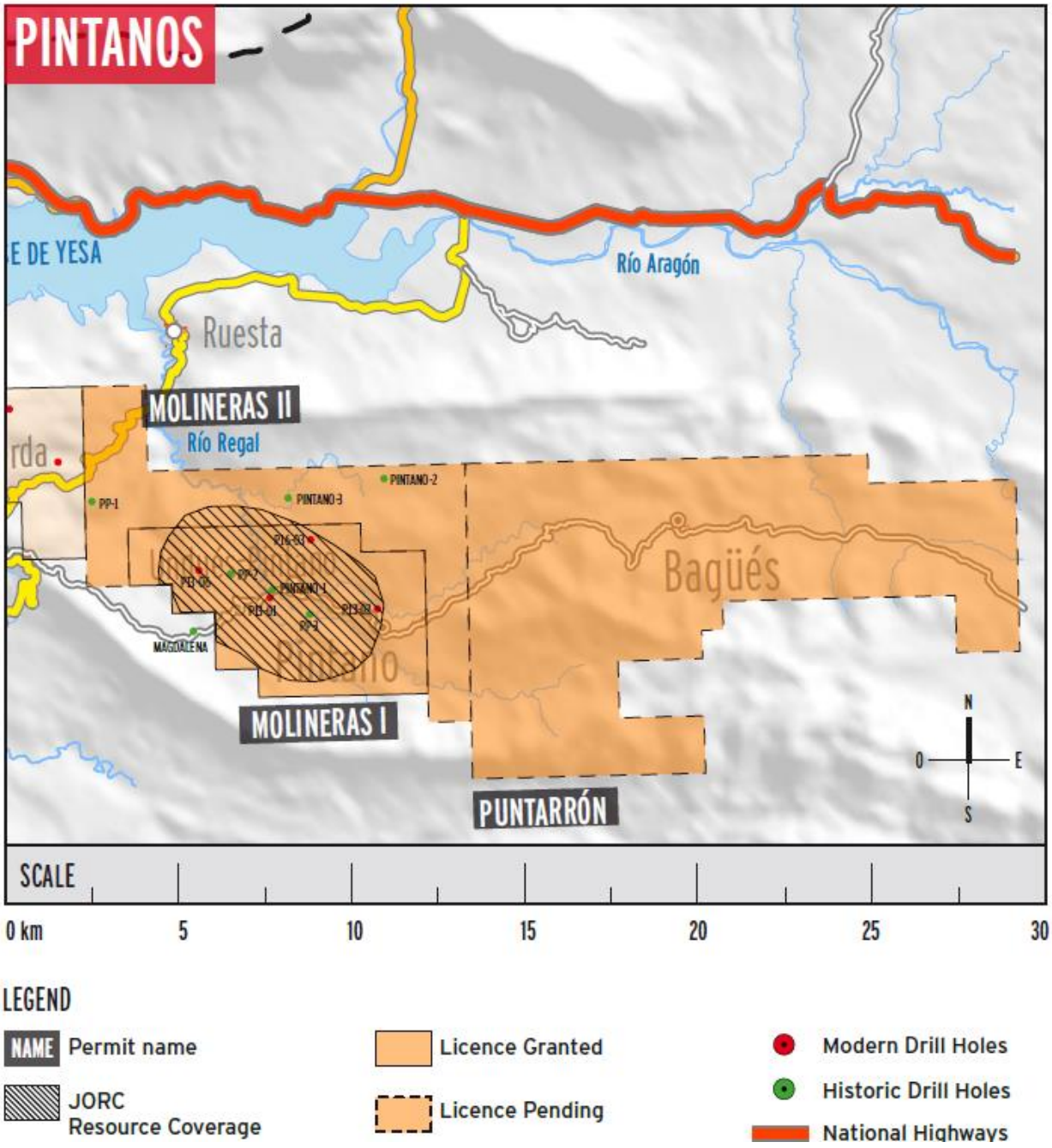


Table 2: Summary of Drillhole P16-03

DDH P16-03 POTASH GRADES (ICP analysis)

			K2O(%)	MgO(%)	Na2O(%)	Cl(%)	SO4(%)	CaO(%)	Water Insolubles
Potash Stretch	Complete Potash Stretch	Average	**6.31**	**0.76**	**24.40**	**37.00**	**3.38**	**2.22**	**35.67**
	From 702.8 to 722	max. Value	25.18	8.41	42.60	55.40	5.42	3.51	70.72
	Thickness: 19.2 m	min. Value	0.33	0.02	11.98	15.85	1.11	0.99	5.86
	Selected Upper Interval	Average	**12.87**	**5.08**	**18.67**	**44.03**	**3.66**	**2.27**	**19.23**
	From 706.7 to 709.1	max. Value	16.08	8.41	25.95	43.20	4.79	3.08	24.26
	Thickness: 2.4 m	min. Value	10.83	0.30	15.50	40.60	2.64	1.64	14.41
	Selected Intermediate Interval	Average	**9.73**	**0.07**	**28.02**	**41.90**	**3.62**	**2.32**	**26.16**
	From 710.9 to 713.6	max. Value	25.18	0.08	42.60	53.60	5.06	3.25	42.38
	Thickness: 2.7 m	min. Value	4.99	0.05	19.21	31.80	2.70	1.68	5.86
	Lower Interval	Average	**8.48**	**0.07**	**28.49**	**42.86**	**3.86**	**2.48**	**26.53**
	From 717.8 to 722	max. Value	17.83	0.15	37.88	55.40	5.42	3.29	49.56
	Thickness: 4.2 m	min. Value	2.22	0.02	19.41	29.20	1.53	1.13	8.11
	Selected Lower Interval	Average	**10.15**	**0.06**	**26.13**	**40.93**	**3.62**	**2.43**	**29.01**
	From 717.8 to 719.6	max. Value	17.83	0.08	32.08	55.40	5.12	3.29	44.10
	Thickness: 1.8 m	min. Value	4.22	0.02	19.41	33.50	1.53	1.13	13.64

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

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.*	• Exploration Diamond Core (DD) drilling was completed. Core was recovered and sampled on 0.3 metre downhole intervals. Each segment of core was logged, photographed and, following being marked and number, each sample was halved, with a quarter core sent to be assayed. • Drilling was completed using a saturated brine to limit core loss as a result of water based fluid contact with the salt horizons.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Drill hole locations were surveyed using GPS, and by a professional surveyor prior to commencement and post the completion of drilling. • Certified Reference Materials (CRM) are inserted on a ratio of 1:20 and blanks are inserted on a ratio of 1:50 into sample streams to assess the accuracy, precision and methodology of the external laboratories used. In addition, duplicate samples were inserted on a ratio of 1:20 for Quality Assurance purposes. • ALS laboratories undertook their own duplicate, CRM and blank sample insertion. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratories providing acceptable levels of precision and accuracy.
	• *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*	• Core is sawed using hydraulic oil as the lubricating agent to minimise core loss. Half core is retained and shrink wrapped to ensure it is well preserved should further assaying be required. • Quarter core for assaying was bagged and secured with plastic ties for shipping to external laboratory for assaying. Samples were crushed, ground and split in Seville, Spain prior to being shipped to ALS Labs in Galway, Ireland. Cored samples were assayed using inductively coupled plasma-optical emission spectrometry and X-ray fluorescence (XRF).

Criteria	JORC Code explanation	Commentary
	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.	
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 was completed by DD method.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Core was boxed at the rig and transported to the core shed at Beriain for logging, photographing, halving and shrink wrapping. Sample quality and recovery were considered to be suitable.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples*	• The drilling was completed using HQ core to maximise core recovery. • Drilling through the evaporite horizon was conducted with a saturated brine drilling mud, which aims to minimise dissolution due to the use of water based drilling fluids.
	• *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.*	• The core recovery is of an acceptable level and no bias is expected from any sample losses.
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.*	• Core has been logged for lithology, alteration, mineral assemblage and structure. • Geotechnical parameters logged: length recovery, RQD, bed degree, fault/fracture (length, fill and degree)
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography*	• Logging is qualitative in nature. All core was photographed and remaining half core shrink wrapped for preservation.
	• *The total length and percentage of the relevant intersections logged.*	• Core was logged and photographed at 0.3 metre intervals.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Half core was shrink wrapped and retained in storage. • Quarter core was sent for assaying. • Quarter core was retained for metallurgical testing purposes.
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• Not applicable.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Samples were quarter core taken at 0.3 metre intervals downhole. All samples were sent to an external laboratory for preparation and assaying.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Sawing of core was conducted using oil based lubricant to minimise dissolution.
	• *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.*	• Duplicate samples were taken on a 1:20 basis and submitted to the laboratory with the other samples. These showed acceptable levels of variation and repeatability.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are appropriate for the mineralisation type.

Criteria	JORC Code explanation	Commentary
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.*	• Assaying was conducted using ICP-OES and XRF, which are modern industry standards • These are considered to be total mineral measurements.
	• *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.*	• No handheld devices were used to estimate the grade or mineralogical composition of the assays for the purposes of this release. • Parameters in chemical analysis: K_2O, MgO, Na_2O, Cl, SO_4, CaO, water insolubles
	• *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.*	• Both Highfield and ALS maintained independent QA/QC programs including the insertion of Certified Reference Material (CRM), duplicates and blanks. • In addition, check samples were submitted to an "umpire" laboratory – Saskatoon Research Centre (SRC) • Duplicates showed acceptable levels of internal agreement. • Accuracy and precision of the CRM, duplicate and blanks are within acceptable levels.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• DD core limits potential for in hole contamination. • ALS assayed all samples using both the ICP-OES methodology and XRF. These methods showed acceptable levels of agreement to support the precision of the testing program.
	• *The use of twinned holes.*	• No holes were required to be twinned in this program.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Highfield receives all assay data directly from the laboratories in electronic format (xls or csv). This is transferred to a master database and is monitored for QA/QC purposes.
	• *Discuss any adjustment to assay data.*	• No adjustments were made to assay data.
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.*	• All new locations were surveyed before and after drilling by a licenced surveyor.
	• *Specification of the grid system used.*	• Grid systems used were European Datum 50, updated to European Terrestrial Reference System 1989 (ETRS89) for compatibility with modern survey information.
	• *Quality and adequacy of topographic control.*	• All new locations were surveyed before and after drilling by a licenced surveyor. • A specific report is prepared for each drillhole
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• The results reported are within 500 metres of other drilling and are considered to be "infill" in nature.
	• *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.*	• Not applicable.
	• *Whether sample compositing has been applied.*	• Samples have been composited over the thickness of the identified potash bed for reporting purposes.
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.*	• The general strike of geology in the basin is NW-SE orientation. • Drilling was conducted vertically, logging noted the orientation of the structure to ensure adjustments were made to determine "true thickness".
	• *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.*	• Drilling was vertical. This was taken into account to calculate the "true thicknesses" of the mineralisation intersected.
Sample	• *The measures taken to ensure sample*	• Chain of custody is managed by Highfield. Core is boxed at the rig and transported to

Criteria	JORC Code explanation	Commentary
security	*security.*	a secure facility for logging, photographing and quartering. Following this, samples for assay were bagged and secured with zip locks to be shipped to ALS laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Audits and reviews are ongoing. These consistently show the methods applied by the Company are acceptable.

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 Pintanos tenements was issued as an Investigation Permit (PI) by the Spanish authorities under reference number 3495/10 on 6/03/2014. Molineras 20 and Puntarrón are pending. • Highfield owns the rights 100%. There are no JVs, partnerships, royalties or other relating to the Investigation Permit.
	• 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.	• Highfield has completed a legal review which concluded its tenure to be secure.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Historical exploration was completed by E.N. Adaro in 1989-1990, however, potash was first discovered as early as 1927. • Historical production occurred at the Potasas de Subiza and Potasas de Navarra mines, located close to the Sierra del Perdón Project.
Geology	• Deposit type, geological setting and style of mineralisation.	• The deposit is an evaporite or chemical sedimentary type deposit. Its genesis is that of a restricted marine sedimentary basin influenced by eustacy, sea floor subsidence and/or uplift of sedimentary units. • The potash deposits are Upper Eocene, with evaporites accumulating in an elongated basin, trending NW-SE, at the southern foreland of the Pyrenean mountain range. The deposit includes thick zones of alternating claystone (marls) and evaporite with well-formed footwall and hanging wall salts. • Potash mineralisation is predominantly in the form of sylvinite (KCl + NaCl) with some minority carnallite (KCL.MgCl2.6H20). It is typically founded interbedded with halite (NaCl) and insoluble materials in the form of lutite.
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.	• Assay information is shown in the body of this release in Table 2. • **P16-03:** X:[660.692,021] Y:[4.712.177,971], RL:[703,365] **P13-06:** X:[658.486,861] Y:[4.711.812,168], RL:[761,412] • Holes are drilled at vertically
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques,	• Composites by weighted average were made from the geochemical data to optimise grade and thickness of the mineralised seams in both the new and historical data.

Criteria	JORC Code explanation	Commentary
	maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut off 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.	• All grades are presented in percentage of K_20 over a selected interval, which is industry standard.
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').	• All drill holes are drilled vertically as this is the best orientation to intersect the expected mineralisation in a perpendicular manner. • Data on bed angle and orientation were incorporated into geological database to calculate the true thickness of the beds intersected.
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.	• Appropriate maps and diagrams are included in the body of this release.
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.	• All results are included in the body of this 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.	• Not applicable.
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.	• Ongoing exploration work is intended for the interpreted extensional areas of the deposit, eastern extent of the Pintanos Project however this is currently unplanned

Section 3: Estimation and Reporting of Mineral Resources

No new information regarding the estimation and reporting of mineral resources is presented.

Section 4: Estimation and Reporting of Ore Reserves

No mineral reserves are reported.