

# Sustainability Report

2017

Geoalcali and Highfield Resources

[www.geoalcali.com](http://www.geoalcali.com)

[www.highfieldresources.com.au](http://www.highfieldresources.com.au)

**Geoalcali**   
a Highfield Resources  
Company

**Highfield**   
Resources









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## A Message from our CEO

"OUR COMMITMENT TO SUSTAINABILITY REMAINS FIRM, WE WANT TO SERVE AS A BEST PRACTICE EXAMPLE IN THE SPANISH MINING INDUSTRY".

We want to contribute to the economic and social development of the regions in which we operate, generating value and working responsibly with the environment and our stakeholders for decades to come.

I am pleased to present our third Sustainability Report based on the GRI Standards, an internationally recognised standard for sustainability reporting.

During the year, we redefined our Vision and Corporate Values by establishing four core values, Commitment, Respect, Excellence and Attitude ("CREA") that we believe are fundamental to the Company's future success. These transparently state the basis upon which we will successfully build a sustainable potash business around a profitable and environmentally respectful project, whilst always taking into account the interests of all our stakeholders.

We have centred our efforts in the year on obtaining permits for the Muga Mine, whilst maintaining continuous communication with stakeholders in order to foster dialogue and community participation in the development of Muga Mine.

We remain convinced that incorporating sustainability into our business strategy provides a unique advantage for our business. An example of this is the innovative voluntary Public Participation Plan, which has established formal channels of participation with the residents of the area. We are pioneers in the development of this initiative by promoting the involvement of stakeholders in the development of all phases of our project.

In addition, we have continued to drive initiatives, including via the Geocali Foundation, in order to optimise our social performance and thereby secure and maintain support for our

project. During the year, the Foundation aligned itself with the 2030 Agenda for Sustainable Development, by establishing the following strategic pillars: initiatives that promote quality education, action that influences the reduction of social inequality, development projects for sustainable cities and action for environmental protection.

We have also adhered to the social responsibility plans for Navarra and Aragón's regional agendas, aligning ourselves with the governments' strategies, aimed at promoting sustainability in companies.

Regarding the environment we have also incorporated a series of measures to minimise the potential negative impacts from the Muga Mine on the environment, by optimising its design and incorporating improvements to guarantee the best environmental and social outcomes.

**Peter Albert**  
Chief Executive Officer





# About this Report

The purpose of this report is to explain how we approach our obligation to operate in a sustainable manner, and how we plan ahead to ensure our future performance will meet high standards of sustainability in the communities in which we operate. It provides an update of the sustainability activities of Highfield Resources Limited (the "Company" or "Highfield") and its Spanish subsidiary Geocalci SL ("Geocalci"), together "the Group", for the year ended 30 June 2017 ("the year").

It is fundamental for us that we conduct our activities in a sustainable and responsible manner. Sustainability reports are an indispensable tool to communicate sustainability objectives established by the Group, offering an opportunity to our stakeholders to review the Group's performance and to contact us with suggestions or comments on the content in the report.

The Group has elected to prepare a standalone sustainability report based on Global Reporting Initiative ("GRI") Standards in accordance: Core Option. GRI is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. The Group's previous sustainability reports for 2015 and 2016 were created based on the G4 Guidelines issued by GRI. For this 2017 report, Geocalci has elected to adopt the new GRI Standards. The GRI Standards bring together content from both the G4 Guidelines and the G4 Implementation Manual, and feature a revised format with clear distinctions between

requirements, recommendations, and guidance. All key concepts and most disclosures from G4 have carried through to the GRI Standards (the Reporting Principles, reporting the management approach, and the emphasis on reporting only Material Topics remain). The GRI Standards are effective for reports or other materials published on or after 1 July 2018 but the Group has elected to adopt the new reporting early.

The section of this report named Our Sustainability Strategy explains our sustainability framework which is designed to:

- Consider our corporate vision, values and corporate governance that guide us in our operations;
- Listen to feedback from the groups within our local communities that will be affected by our operations;
- Set appropriate objectives to address the key topics arising;
- Communicate what we do; and
- Measure and report our performance.

The Performance Highlights section is divided into four parts: Our Business, Our Environment, Our People, and Our Community, each of which provides information on our sustainability activities during the year. The Specific Goals section includes an assessment of our performance against specific measures identified as part of our sustainability strategy.



# Our Sustainability Strategy

## The Focus

Geocalci and Highfield are focused on operating in a responsible and sustainable manner, minimising any environmental impacts, optimising energy efficiency and using resources appropriately. The Group also recognizes the importance of appropriately managing the risks which derive from mining activities in order to ensure a high standard of outcomes for local communities and other stakeholders.

Accordingly, our goal is to ensure that the Group's activities not only comply with current legislation, but are also aligned with external international guidelines such as the Aarhus

Convention, the UN's Global Compact, the Rio de Janeiro Earth Summit, IFC Performance Standards and the Equator Principles

The participation of stakeholders through our development process is key to ensuring that the concerns of residents are addressed as part of the Group's decision making process. Considering the ethical criteria regarding environmental and social management, a good governance system is also essential.

## Corporate Vision and Values

At the start of 2017, the Group redefined its vision and corporate values as follows, in order to express its purpose more clearly:

**"TO BUILD A SUCCESSFUL, SUSTAINABLE, POTASH BUSINESS WITH RESPECT FOR STAKEHOLDERS AND THE ENVIRONMENT."**

This vision is then supported by our four core values: CREA

### Commitment

We are committed to best practices in health and safety, the environment, and the communities in which we operate.

### Respect

To act and communicate collaboratively with transparency, sincerity and an understanding of cultural diversity.

### Excellence

To seek to continuously improve through a cycle of goal-setting, accountability, evaluation and innovation, resulting in enhanced value creation.

### Attitude

To uphold the highest standards in regards to ethical performance, honesty, integrity, fairness and equality with all stakeholders.



Compromiso Respeto Excelencia Actitud

**CREA**

Commitment Respect Excellence Attitude



# Sustainability Framework

OUR SUSTAINABILITY STRATEGY IS BUILT UP FROM OUR CORPORATE VISION AND FROM OUR CORE VALUES AND GOVERNANCE PROCESSES WHICH ENSURE THAT WE WORK IN THE RIGHT DIRECTION AND IN THE RIGHT WAY.

This includes listening to feedback from our stakeholders, from which we have identified a number of Material Topics which in turn shape the commitments we make to the environment and to society. We have considered how our corporate objectives align with our efforts in meeting these commitments. Finally, we set performance measures to help us learn and improve.

At the head of our Sustainability Framework is the Highfield Board which provides oversight and ensures top level engagement to integrate sustainability into our four dimensions: Our Business, Our People, Our Environment and Our Community.

Reporting to the Highfield Board is the Geoalcali Board which acts as a sustainability advisory group with the following responsibilities:

- Participate in topic specific working groups;
- Brainstorm high priority issues;
- Develop goals;

- Provide input on strategies and initiatives; and
- Advise on planning process.

The Highfield Board receives monthly reports from the Group's Senior Management Team, including the engagement of stakeholders and the appropriate treatment of their needs and expectations.

Reporting to the Geoalcali Board is a Sustainability Work Group which is responsible for the implementation of sustainability processes and procedures on a cross functional basis, as well as managing the Group's sustainability reporting.

THE GROUP RECEIVES INPUT FROM EXTERNAL STAKEHOLDERS INTO THE DEFINITION OF ITS SUSTAINABILITY STRATEGY:

## External Experts

Define high priority issues  
Analyse issues and strategies  
Provide supporting data

## General Public

Participate in public meetings  
Submit ideas and suggestions

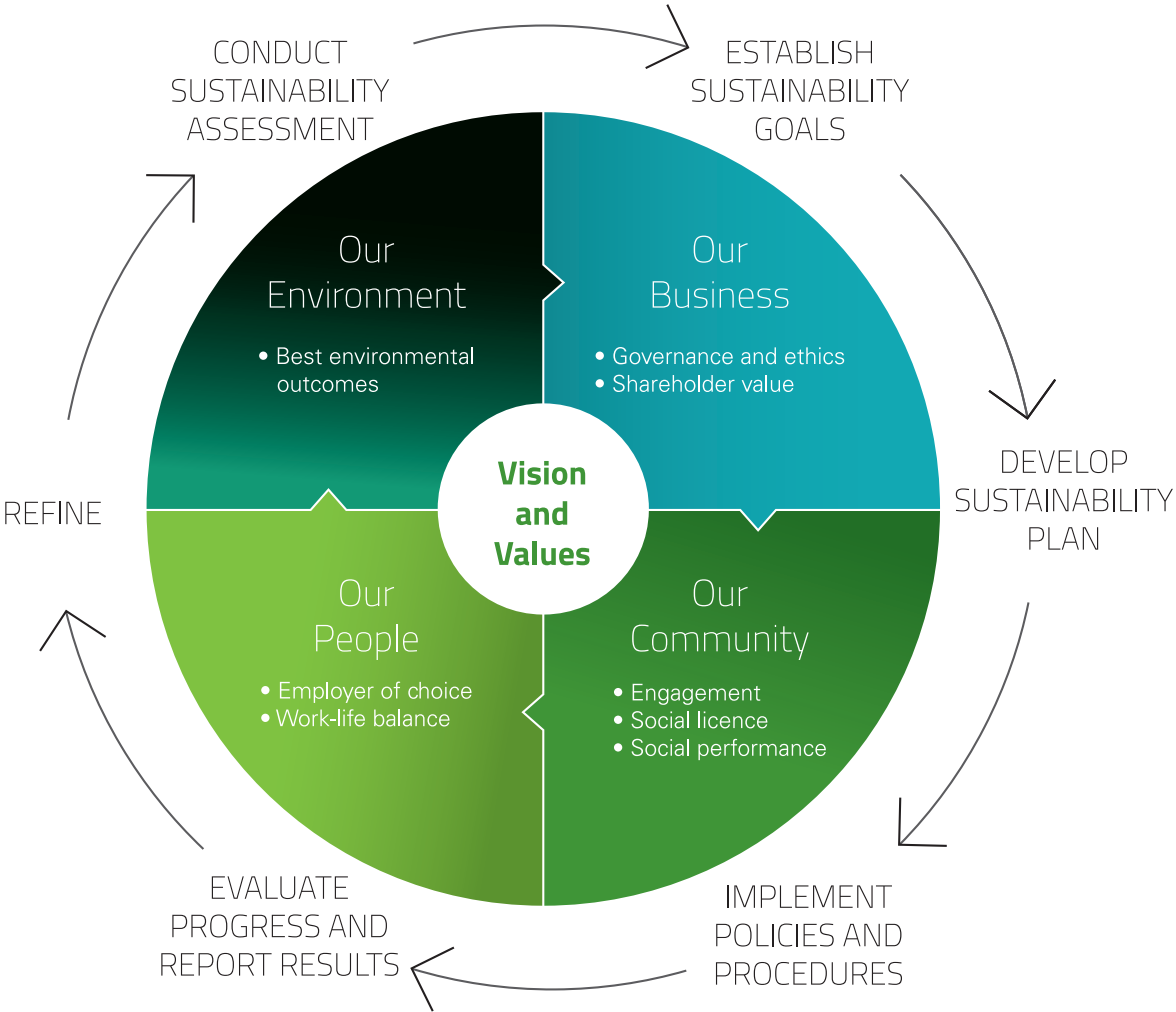
## Community Stakeholders Groups

Brainstorm high priority issues  
Brainstorm strategies via public outreach process





The figure below illustrates how the elements of our framework combine to drive our sustainability activities



# Stakeholder Inclusion and Material Topics

The Group undertakes regular stakeholder identification to analyse the impact of its actions. It was determined that the relevant stakeholders to the Group's activity are as follows and it should be noted that there has not been a change in terms of identification from the previous reports of 2015 and 2016:

- Employees;
- Local Communities;
- Local Councils;
- Suppliers;
- Governmental Organisations;
- Non-Governmental Organisations and Local Organisations; and
- Investors.

As part of its transition to GRI standards the Group conducted an internal analysis of sustainability issues, in order to define the Material Topics on which our priorities and objectives should be based. Each function within the Group reported its findings to the Sustainability Work Group. The resulting Material Topics are as follows, under the groupings [Our Business](#), [Our People](#), [Our Environment](#) and [Our Community](#) by which we report our performance in the Performance Highlights section:



Nursery in Sos del Rey el Católico, an initiative supported by the Company that facilitates access to employment for women in rural communities



This analysis reflects the Group's significant economic, environmental and social impacts and how they directly influence the stakeholders. The analysis takes into account:

- Management's opinions;
- Employee representatives' opinions;
- Group departments' opinions;
- Studies by expert consultants;
- The official DIA permitting process;
- International guidelines regarding material aspects in the mining industry;
- Analysis of information published by the media,

appearances of the Group in the press and the reputation of the sector;

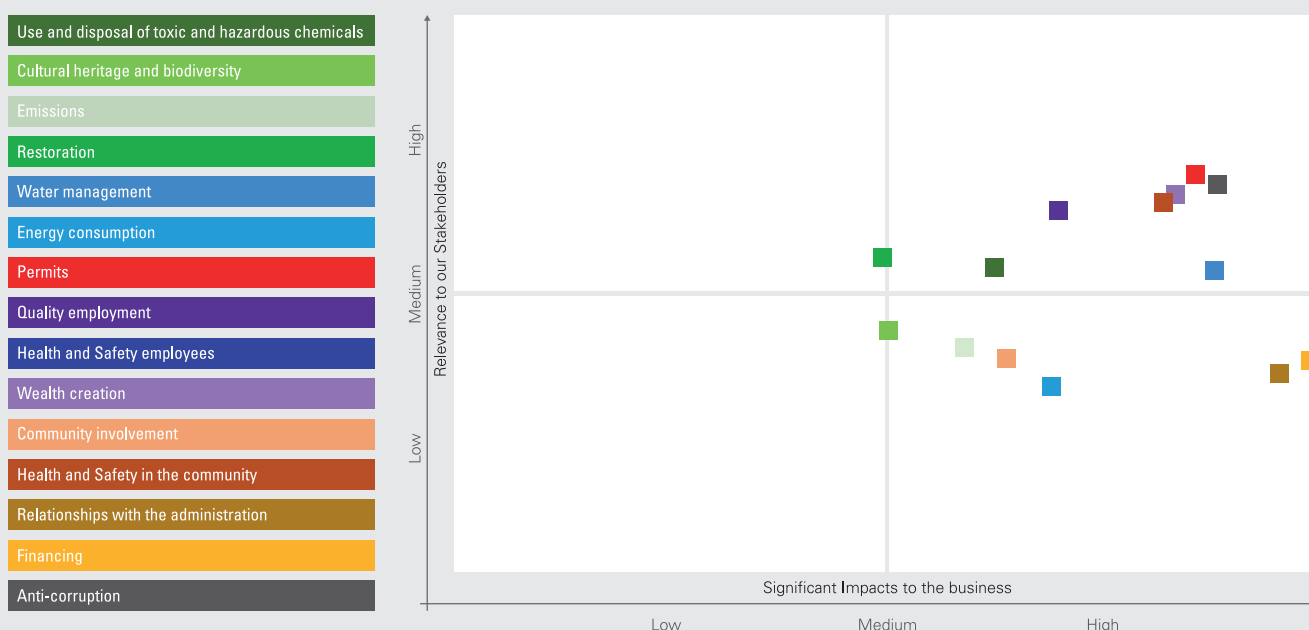
- Public participation from the suggestion boxes in the town halls of the communities where the Group will operate and;
- Collection of information through the corporate web pages, especially those suggestions collected from the section "Queremos Escucharte" (We Want to Listen to you) on the website [www.geocalcali.com](http://www.geocalcali.com).

Each department analysed and defined the Material Topics and the management approach according to how stakeholders are affected. The Material Topics for each stakeholder group are shown below, together with the management mechanisms and communication channels proposed:

			1	2	3	4	5	6	7	8	9	10
Stakeholders	Mechanisms and Active Channels		Obtaining Permits	Health and Safety of Employees	Anti-corruption measures	Wealth Creation	Health and Safety in the community	Appropriate water management	Generation of quality employment	Appropriate waste management	Restoration of the area	Active participation
Local Communities	Physical suggestion boxes located in the communities involved in the project	Monthly				●			●			●
Local Communities	Online access through the "We want to listen to you" tab for suggestions, consultations and questions from citizens and residents of the area.	Daily	●			●		●	●	●		
Local Communities	Monitoring Press	Daily			●		●	●		●		
Town Councils	Official application process	Weekly	●					●		●		
Town Councils	Regular meetings	Monthly	●			●						
Town Councils	Physical suggestion boxes located in the communities involved in the project	Monthly										●
Suppliers	Directly related with every department	Daily	●			●			●			
Government Organisations	Official application process	Weekly					●			●	●	
Government Organisations	Regular meetings	Monthly										●
Non-governmental Organisations and Local Associations	Online access through the "We want to listen to you" tab for suggestions, consultations and questions from citizens and residents of the area.	Daily	●									
Non-governmental Organisations and Local Associations	Monitoring Press	Daily	●		●		●			●		
Local Associations	Regular meetings	Quarterly				●			●			
Investors	Investor Relations Department	Weekly	●									
Employees	HR Department	Daily	●	●		●			●			
Professional Entities	Individual departments	Quarterly	●			●						
Universities	Individual departments	Quarterly				●						
Potential Customers	Marketing and Sales Department	Quarterly	●									

After analysing the information from the departments, the Sustainability Work Group established the following materiality matrix taking into account issues contained in the above Material Topics:

## Materiality Matrix 2017



## Material topics

1

### Redeipt of necessary permits

The Company has centred its efforts on the permitting process, to obtain the Declaración de Impacto Ambiental ("DIA"). After this, the company will work to obtain the necessary construction and industrial activity permits

3

### Anti-Corruption Measures

Business ethics, and the measures necessary to maintain high standards in this respect, are key factors in ensuring the company operates in accordance with its values.

4

### Wealth Creation

The Muga Mine will generate wealth for several decades. This topic is relevant to all stakeholders and is of special relevance to the creation of employment and the indirect job positions that the projects will create.

2

### Ensure employee Health and Safety

For the Group, safety is always a priority. The company has a firm commitment to establishing a strong Health and Safety culture.

7

### Creation of Quality Employment

The Muga Mine, at full capacity, will generate approximately 800 jobs in multiple disciplines including operators, administration, technicians and logistical position. The mine will also generate many indirect jobs in the surrounding towns and communities.

6

### Propper Water Management

Proper water management underpins profitability as well as safeguarding the community and the environment. Since the outset, Geocali has included plans for an integrated water management system to ensure proper use of water resources.

8

### Propper Waste Management

In regards to environmental management, the Company is committed to using the practices necessary to deliver high quality environmental results. As a result of this commitment, backfilling has been incorporated to minimise surface waste. Backfilling is recognised as most effective for waste management by the Spanish Government's Waste Management Framwork Plan for 2015.

9

### Restoration of the Area

Throughout the mine life, management will plan appropriate mine closure activities to achieve an optimal closure scenario at the end of the mine life. This commitment is included within the Environmental Impact Study and will be implemented on the first day of mine construction.

5

### Priorise Health and Safety in the Communities

The Health and Safety of the community is another priority for the development of the mine. It is also an aspect of prime interest for the residents of the area which requires Geocali's commitment in the industrial and mine design.

10

### Community Involvement

The Group is committed to transparency, communication and participation of the local communities and confirms its desire to be a good corporate citizen. It participates through the Geocali Foundation in various initiatives to build a strong engagement with the community and also undertakes communication activities to enhance relationship with local stakeholders.



# Strategic Objectives

The definition of the Group's core values has marked a milestone in the development of its sustainable strategy and the Group is aware of the importance of integrating sustainability from the start of its activities.

The main objectives of the Group for the next three years are focused on the following strategic actions, with the corresponding Material Topics also indicated below:

Objective	Description of the strategic action	Material Topics:
1	To secure all necessary environmental, construction and operating permits.	1
2	To build and to successfully operate the first phase of the Muga mine (0.5 Mtpa MOP).	2 4 5 6 7 8
3	To develop the plans and financing for the second stage of the Muga mine (to 1 Mtpa MOP).	4 7 10
4	To build, operate and maintain a high level of workplace health and safety.	2 5
5	To conduct our business with regard to all environmental regulations and best practice.	6 8 9
6	To work diligently with the various communities close to the mine to optimise our social performance and thereby secure and maintain support for our project.	3 5 6 7 8 10
7	To work with the various government departments and regulators in a transparent and engaging manner to secure their trust and enable them to supervise our activities appropriately.	2 3 5 6 8 9 10
8	To secure all necessary funding for the first phase of the Muga Project and have plans and commitments in place for the implementation of the second phase.	4 10
9	To comply fully with all pertinent legislation.	2 3 5 6 8 9
10	To develop plans and studies for the potential implementation of future projects within the Group's current tenement holding.	1 4 7 10
11	To become the Employer of choice within our sector and environment.	2 3 4 7 10
12	To return value to our shareholders.	4



# Specific Goals

The progress to date in achieving specific goals is shown below. The definition of Material Topics helped to redefine the specific strategic objectives set out above for the year ended 30 June 2017 and for future periods, as well as identifying necessary improvements for the implementation of a sustainable management strategy.

These objectives support the Group's strategy and provide a context against which to monitor progress during this period. In order to achieve these objectives, continuous communication continues to be a priority for our employees and their counterparts.

Strategic Objective	Dimension	Specific Goal	Development	Action Plan	Material Topics:
1 & 7	Social, Environmental and Economic	Ministerial approval of the Environmental Evaluation of the Muga project.	Since 2014, this objective has continued to be the priority for the Group.	 In Progress	1
2 & 12	Social and Economic	Continue improving and refining of our processes and practices monitoring our performance.	In this objective there are various initiatives to ensure the continuation of improvements in all our processes.	 In progress	2 4 5 6 7 8
3 & 7	Social and Economic	Securing the Mining Concession in order to proceed.	After gaining the environmental permit this is the second phase of the permit process.	 In Progress	1
4	Social – Health and Safety	Increase the programmes which raise awareness of Health and Safety in the whole organisation.	The Company has increased awareness initiatives from 2014 to 2017.	 Achieved The Group will continue working to raise awareness of these topics.	2 5
5	Environmental	Minimise the potential for adverse environmental impacts associated with the use of chemical products during exploration activities.	This is an objective for the 2017 calendar year.	 In Progress	6 8 9
5	Environmental	The supervision of our operations and the reduction of the greenhouse effect where possible.	Geoalcali has included a monitoring plan and more efficient equipment in its Environmental Impact Study.	 Achieved There will be a follow up on greenhouse effect emissions once the Muga Mine has started potash production.	6 8 9
5	Environmental	Maintain environmental awareness programmes for all employees.	The Company has increased awareness initiatives from 2014 to 2017.	 Achieved The Group will continue working to raise awareness of these topics.	6 8 9
6	Social – Community	Continue with the implementation of the ISO 26000 in our Integrated Management System.	The Group has enhanced its procedures for monitoring its relationship with stakeholders.	 Achieved We will continue to maintain our management processes to underpin our activities.	10
6	Social – Community	Encourage actions that promote community participation.	Geoalcali has increased community participation.	 Achieved Geoalcali will continue working to enhance its relationship with the community.	10
6	Social – Community	Encourage actions that promote communication with the community.	Geoalcali has increased community participation.	 Achieved	10
6	Social – Community	Continue with the social initiatives through the Foundation in order to promote the wellbeing of those living within the community.	Geoalcali has increased community participation.	 Achieved Geoalcali will continue working to enhance its relationship with the community.	2 5 6 8 9
8	Economic	Secure the financing of the Muga Mine Project.	Work continues to secure the financing.	 In Progress	4
9	Economic	Improve understanding of, and preparation in respect of, applicable legal requirements.	The Group will monitor the legal requirements in order to ensure appropriate compliance.	 In Progress	2 3 5 6 8 9
10	Economic	Carry out preliminary economic and environmental evaluations for the Izaga, Vipasca, Sierra del Perdón and Pitanos projects.	The Group will continue investigating the potential development of other projects.	 In Progress	4 5 6 8 9
11	Social – Governance	Introduce measures to ensure proper management of labour agreements.	Processes for managing labour agreements have been enhanced.	 Achieved	2 3 4 7
12	Social - Governance	Awareness of our Code of Business Conduct and Ethics.	The Group has refined its corporate vision and values as well as introducing new policies.	 Achieved The Group will continue implementing measures to ensure awareness of its corporate ethics.	2 3 7



# Performance Highlights

## Our Business

- ✓ Revisions to the Ethics Code and inclusion of new policies to ensure management transparency
- ✓ Redefinition of our values Vision & Values
- ✓ Renewal of certifications
- ✓ Corporate Social Responsibility Certificates
- ✓ Optimised Muga Mine Project

## Our Environment

- ✓ Improvements to the Location
- ✓ Improvements to the Design
- ✓ Protect Biodiversity
- ✓ Noise and Visual Barriers
- ✓ Minimise the Risks of Water Pollution
- ✓ Shorter Transport Routes
- ✓ Reduction of Atmospheric Emissions
- ✓ Distance From Camino de Santiago, Towns and Tourist Spots
- ✓ Ensure Proper and Full Reclamation



## Our Community

- ✔ 86% of the Citizens Participation is Favourable to the Project
- ✔ Innovation Award
- ✔ Enhancing our Commitment To Transparency
- ✔ Committed to Public Participation and Open Communication
- ✔ Ongoing Social Initiatives Through The Geoalcali Foundation
- ✔ Commitment to Both the Academic and Professional World

## Our People

- ✔ Work Life Balance Measures for a Healthy Workplace Environment
- ✔ Promoting Healthy Habits Among Employees
- ✔ 251 Hour Dedicated to Health And Safety Training
- ✔ Zero Accidents
- ✔ Spanish Bonus Prevention Incentive Awarded



# Our Business

## COMMITTED TO BUSINESS ETHICS AND RESPONSIBLE MANAGEMENT

The Group's assets consist of five potash exploration projects in the provinces of Navarra and Aragón in northern Spain, named Muga, Sierra del Perdón, Vipasca, Pintanos, and Izaga. Of these the most advanced is the Muga Project, in respect of which the Group is at an advanced stage of seeking the environmental permits necessary to secure construction permits and then begin construction of the Muga Mine and to commence production of potash. All of the assets are owned by Highfield's 100% owned Spanish subsidiary Geoalcali.

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Highfield support and adhere to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Highfield is in compliance to the extent possible with those recommendations which are of importance and add value to the commercial operation of an ASX 300 listed resources development company.

The Company has established a set of corporate governance policies and procedures and these can be found, together with the Company's Code of Business Ethics and Conduct, on the Company's website: [www.highfieldresources.com.au](http://www.highfieldresources.com.au).



## Progress to date

The last year has been one of steady progress for the Company, with advances made in both permitting and project

engineering for our flagship Muga Mine. This progress positions the Company to commence construction of its Muga

Project as soon as all requisite permits are received. As a result of developments announced in July, the Company is more confident than ever of receiving its environmental permit.

After commencing with the Company on 1 September 2016, Managing Director Mr. Peter Albert has used his wealth of mine-building experience to position the Company to be able to confidently commence and complete construction which will enable Highfield to achieve its vision of building a successful, sustainable potash business.

Although potash prices experienced another subdued year in comparison to their long term average, they have continued their steady rebound from the very low levels seen in the previous financial year. This improvement gives the Company confidence that the medium and long term outlook for the commodity is as strong as ever, and the Company remains

committed to building a business which can profitably operate in any market environment.

As the Muga Project has progressed, advances have been made in many areas, as well as numerous studies and technical analyses to ensure the sustainability of the Muga Mine.

In addition, Geoalcali has voluntarily conducted a further public exposition of its environmental development and restoration documentation, although there was no legislative requirement to do so. Due to the nature of the project and the time elapsed since the first exposition, Highfield believed it was important to provide stakeholders with the information related to the project which formed the basis of the updated Environmental Impact Study submitted to MAPAMA on 28 April 2017. It will also provide a stronger basis for the authorities to support the award of the environmental permit (DIA).

For more information on developments in the Group's business, including each of its projects, see the Directors Report which commences on page 22 of the Company's Annual Report 2017 or visit <https://www.highfieldresources.com.au/asx-releases/>.



### Processing

The Muga Mine Project is waiting to receive the "Declaración de Impacto Ambiental".



### Muga Mine Optimisation Study

To improve the efficiency of the operations.



### Mineral Resource Estimation

External audit to verify the size of the resource and the life of the mine.



### Collaboration Agreements

With well known, respected business for the mine's construction.



### Project Finance

Agreements with banking entities to finance the project.



### Agreement with Iberdrola

Agreement for the future electricity supply to the project.



### Sales

Memoranda of understanding entered into with global potash and salt traders.



### Maritime Transport

Pre-agreement for the maritime transport with the Puerto de Pasajes.



### Competitive Project

Independent verification tha Muga Mine would be one of the highest potash margin producers.



# Pillars that sustain our Environmental, Social and Governance management

The Group's mission is to carry out potash mining in a cost effective, safe, responsible, sustainable manner committed to the environment. For that reason, measures have been taken to ensure that the Muga Mine will not only comply with current legislation, but also that its planned activities are aligned with external international guidelines such as the Aarhus Convention, the United Nations Global Compact, the Rio Declaration, the Performance Standards recommended by the International Finance Corporation (IFC), as well as the Equator Principles.

In addition, to deliver these commitments, the Group has established:

## 1. An Integrated Management System

IN THE AREAS OF QUALITY, ENVIRONMENTAL, HEALTH AND SAFETY AND SUSTAINABLE MINING MANAGEMENT.

Geoalcali successfully passed an external audit carried out by the certifying body TÜV Rheinland in June 2017, resulting in another year being certified in the four areas that make up the Integrated Management System. Since June 2015 the following certifications have been achieved:

- Quality Management ISO 9001
- Environmental Management ISO 14001
- Occupational Health and Safety Management OHSAS 18001
- Sustainable Mining UNE 22480
- Adoption of the ISO 26000 Guide on Corporate Responsibility and alignment with international programs and guidelines (GRI Standards, IFC, Equator Principles) to incorporate recommended procedures in the Integrated Management System to ensure a participatory relationship with stakeholders. The ISO 26000 Guide lays the foundations and recommendations necessary to help organisations implement a socially responsible way of operating.



## 2. The Geoalcali Foundation

ESTABLISHED IN 2014, THE FOUNDATION WAS CREATED TO DELIVER PROJECTS INTO THE COMMUNITIES IN WHICH THE COMPANY WILL OPERATE ITS MINES.

- Training and employability in the most disadvantaged sectors.
- Support for entrepreneurial initiatives that create jobs.
- Attention to the social needs of the residents of the area.
- Creation of educational, cultural and promotional activities for agriculture and sustainable cultivation.

In 2017, the Geoalcali Foundation presented a new Strategic Plan for the coming years, which is aligned with the UN's 2030 Agenda for Sustainable Development, whose objectives are consistent with those of a business foundation in the field of extractive industry.

## 3. A Public Participation and Communication Plan

WITHIN ITS PLAN, GEOALCALI UNDERTOOK A VOLUNTARY PUBLIC PARTICIPATION PROCESS WITHOUT PRECEDENTS IN THE SECTOR, IN ORDER TO INVOLVE INSTITUTIONS, INDIVIDUALS AND SOCIAL AND ECONOMIC AGENTS IN THE PROJECT THROUGH EFFECTIVE PARTICIPATION UNDER THE METHODOLOGIES AND PARTICIPATION FORMULAS RECOMMENDED BY THE OECD (THE ORGANISATION FOR COOPERATION AND ECONOMIC DEVELOPMENT) AND THE GOVERNMENT OF NAVARRA AND ARAGÓN.

#### 4. Adherence to regional programs of Social Responsibility Management.

GEOALCALI IS CURRENTLY ALIGNED WITH THE INNOVARSE PROGRAM, PART OF THE EUROPEAN ACTION PLAN IMPLEMENTED BY THE GOVERNMENT OF NAVARRA. IN ARAGON, GEOALCALI IS AFFILIATED TO CORPORATE SOCIAL RESPONSIBILITY PROGRAM RSA.

#### 5. HFR Group Code of Business Conduct and Ethics,

WHICH HAS ESTABLISHED POLICIES AIMED AT ENSURING THE GROUP'S VALUES ARE IN LINE WITH THE GLOBAL COMPACT PRINCIPLES, THE INTERNATIONAL LABOUR ORGANIZATION DECLARATION AND THE INTERNATIONAL COUNCIL ON MINING AND METALS.

##### Corporate Social Responsibility Certificates

As part of Geoalcali's strong commitment to Corporate Social Responsibility, the Company has adopted regional CSR Programs promoted by the Government of Navarra (InnovaRSE) and the Government of Aragón (RSA).



Award of the InnovaRSE certificate 2016



## Revisions to the Ethics Code and inclusion of new policies to ensure management transparency

The Directors of Highfield Resources Limited and its controlled entities are committed to achieving and demonstrating robust corporate governance practices which are appropriate to the Group's size and stage of development and which facilitate the long term performance and sustainability of the Company as well as protect and enhance the interests of its shareholders. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board, with the assistance of its Committees regularly reviews its governance practices to ensure they remain consistent with the needs of the Group. In addition, the Group monitors developments in governance market practice, expectations and regulations. The Group complies with the majority of recommendations set out in the Australian Securities Exchange ("ASX") Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition (the "ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, were in place for the entire 2017 financial year and remain in place.

During this reporting period, the Company has included a Whistle-blower Protection Policy within its Code of Ethics in order to strengthen its commitment to prevent inappropriate business behaviour.

The Group publishes its corporate governance policies, code of conduct and its Board and committee charters on Highfield's website at [www.highfieldresources.com.au/corporate-governance](http://www.highfieldresources.com.au/corporate-governance). Additional information that is relevant to this corporate governance statement can also be found in the Group's annual report for the year ended 30 June 2017.



## Redefinition of our values Vision & Values



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# CREA

Commitment Respect Excellence Attitude

### Our Vision

***"To build a successful, sustainable, potash business with respect for stakeholders and the environment."***

### Our Core Values

#### Commitment

We are committed to best practices in health and safety, the environment, and the communities in which we operate.

#### Respect

To act and communicate collaboratively with transparency, sincerity and an understanding of cultural diversity.

#### Excellence

To seek to continuously improve through a cycle of goal-setting, accountability, evaluation and innovation, resulting in enhanced value creation.

#### Attitude

To uphold the highest standards in regards to ethical performance, honesty, integrity, fairness and equality with all stakeholders.

# Environmental, Social and Governance leadership

## Board of Directors



**Derek Carter**  
Non Executive Chairman



**Pauline Carr**  
Independent Non  
Executive Director



**Richard Crookes**  
Non Executive Director



**Jim Dietz**  
Independent Non  
Executive Director



**Owen Hegarty**  
Non Executive Director



**Peter Albert\***  
Managing Director and  
CEO

## Senior Management Team



**Mike Norris**  
Chief Financial Officer



**John Claverley**  
General Manager



**Gonzalo Mayoral**  
Permitting Manager



**Hayden Locke**  
Investor Relations



**Ricardo Pérez**  
External Relations



**Javier Olloqui**  
Human Resources

## Sustainability Work Group

Responsible for implementing sustainability on a cross functional basis



**Peter Albert\***  
Managing Director and  
CEO



**Susana Bieberach\***  
Communications and CSR



**Laura Bass\***  
Environment Department

\*Members of the Sustainability Work Group



## Permitting Process of Muga Mine

On 28 April 2017 Geoalcali presented the updated Environmental Impact Study (EIA) on the Muga Mine Project to the Ministry of Agriculture and Fisheries, Food and Environment (MAPAMA).

The updated EIA was prepared in response to the request made by MAPAMA on 12 December 2016 and constitutes an update to the initial EIA submitted in December 2014.

The updated EIA brings together in one document the improvements and suggested recommendations from the administrative process, basically made up of the following:

- Public information and consultation phase with stakeholders (Article 36 of Law 21/2013, 9<sup>th</sup> December, Environmental Assessment)
- Technical analysis (Article 40 of Law 21/2013 9<sup>th</sup> December, Environmental Assessment)

- Advancement of the Engineering detail by the technical team of Geoalcali since December 2014, as well as updates of complementary desk top and field studies.

All of the improvements included in the EIA make possible the reduction of the environmental impact of the project and increase its monitoring capability.

In addition to the improvements included in the project itself, the updated EIA has compiled all the complementary studies that have made it possible to achieve these improvements and optimise the process of the EIA through increased knowledge of the environment and the effects of the project.

For more information on developments in the Group's business, including each of its projects, see the Directors' Report which commences on page 22 of this Annual Report 2017 or visit:

<https://www.highfieldresources.com.au/asx-releases/>

## Economic Value

Our strategy is to build a low risk, sustainable business that will generate:

- quality employment for many decades;
- a high quality project with an efficient and safe design of its facilities, mine and operations;
- growth opportunities for local people by providing quality jobs to support the development of projects; and
- value for our shareholders by delivering socially and environmentally responsible operations.

For further information on Highfield Resources financial performance visit:

<https://www.highfieldresources.com.au/asx-releases/>

# Our Environment

## TOWARDS MINIMISING OUR ENVIRONMENTAL IMPACT

From the outset, in the design phase of the Muga Project, the Company has implemented measures to minimise potential negative impacts on the environment.

During this reporting period, an additional number of improvements have been made which will make the Muga Mine a reference project in the mining sector in Europe. From an environmental point of view, new analyses, studies and initiatives have been carried out to ensure high standard environmental and social outcomes. Some of these improvements are summarised below.

### KEY ASPECTS OF THE MUGA MINE OPTIMISED PROJECT

#### Improvements to the location

of the facilities taking advantage of the hills and valleys in order to locate the process plant, ponds, offices and other features with **the least visual impact** to the neighbouring towns and points of cultural interest.

Improvements to the design of the dams in order to **maintain the natural surroundings** and **reuse the salt water** for the process plant and backfilling.



Initiatives with environmental associations to

**protect biodiversity**

Continually monitoring the local wildlife population.



Design and management of water, using safe and suitable preventative measures, to **minimise the risks of water pollution**, generation and storage of salt water, and impact on aquifers and underground water courses.



Reusing the excavated earth to construct **noise and visual barriers** as well as for water protection.



Production of salt as a saleable by-product thereby **reducing surface wastematerial**.

Incorporating the **use of renewable energy** for hot water and reducing atmospheric emissions.



Incorporating the use of **technology and methods to reduce atmospheric emissions**.



The location of the mine openings in close proximity to the process plant resulting in **shorter transport routes**, avoiding crossing the Camino de Santiago as well as **increasing the distance between the mine and the nearest urban town centre**.



Locating other facilities **without affecting the Camino de Santiago**, and maintaining sufficient distance from **towns and tourist spots as well as rivers, mountains and natural terrain**.



Optimisation of the placement of power lines in order to help to **protect the biodiversity of the area**.



#### Mine Closure

Commitment to meet regulations to **ensure proper and full reclamation** of the site at the end of the mine life.



In addition to these improvements, these are the main complementary studies carried out since the initial EIA::

<h3>Wildlife Studies</h3> <ul style="list-style-type: none"> <li>– Study of the potential effect of a potash mine on the nearby populations of <i>Mustela Lutreola</i> (European mink), <i>Myotis Myotis</i> (mouse-eared bat) and <i>Nyctalus Noctula</i> (common noctule bat). Evaluation of the processponds interaction with amphibians;</li> <li>– Consolidated report of the field work carried out for the creation of a bird inventory in the surroundings of the Muga Mine, including the communities of Undués de Lerda, Sos del Rey Católico (Aragón) and Sangüesa (Navarra);</li> <li>– Assessment of the impact on its environment of the Muga Mine, its treatment plant and associated infrastructure (communities of Undués de Lerda, Sos del Rey Católico and Sangüesa) in respect of the Montagu's harrier and the royal kite birds; and</li> <li>– Plan for conservation and continuing monitoring in the surroundings of the Muga Mine (Navarra/Aragón).</li> </ul>	<h3>Archaeological Studies</h3> <ul style="list-style-type: none"> <li>– Valdemolinero (Sangüesa) archaeological site;</li> <li>– Study of the Corral de Ayaga, (Sangüesa) historic rural remains;</li> <li>– Study of the Corral de Espilenguas o Malruesta (Undués de Lerda) historic rural remains; and</li> <li>– Exploration Study of Topography and evaluation of the Corral de Ongay (Sangüesa), historic rural remains.</li> </ul> <h3>Subsidence Studies</h3> <ul style="list-style-type: none"> <li>– Numerical modelling of mining subsidence at the Bardenas Canal and in the towns of Javier and Undués de Lerda (consolidated text of the work carried out in respect of subsidence Nov – Dec 2016).</li> </ul> <h3>Backfilling Studies</h3> <ul style="list-style-type: none"> <li>– Study of the use of backfilling to fill mining voids.</li> </ul>	<h3>Visibility Studies</h3> <ul style="list-style-type: none"> <li>– Visibility study of the planned facilities of the Muga Mine.</li> </ul> <h3>Seismicity Studies</h3> <ul style="list-style-type: none"> <li>– Seismicity study of the Muga-Los Pintanos project area (Navarra and Aragón);</li> <li>– Report from the General Directorate of the National Geographic Institute to the general subdivision of MAPAMA's environmental assessment;</li> <li>– Analyses of induced seismicity in mines, with emphasis on those similar to the Muga Mine Project;</li> <li>– Study indicating the impossibility of any impact on the Yesa Reservoir from the Muga Mine;</li> <li>– Report on the source of the earthquake in 1923 near the Berdún Canal in Aragón;</li> <li>– Report on the public information process of the Ebro Water Confederation (Confederación Hidrográfica del Ebro) for the Muga Mine Project (Navarra and Aragón);</li> <li>– Report on the local seismic network in the area of the Muga Mine. Morphological tectonic analysis of the Loiti, Leyre and Trinidad Faults (Navarra and Aragón); and</li> <li>– Report on previous studies in relation to the feasibility aof the Muga Mine and Pintanos projects (Navarra, Aragón).</li> </ul>
<h3>Studies of services related to public watercourses</h3> <ul style="list-style-type: none"> <li>– Study of the diversion of the main irrigation ditch and road in Undués de Lerda for the construction of the Muga Mine;</li> <li>– Study of the effects on Tunnel III of the Bardenas Canal during the construction and production phases of the Muga Mine;</li> <li>– Report on effects on public watercourse; and</li> <li>– Study indicating the impossibility of any impact on the Yesa Reservoir from the Muga Mine (as above).</li> </ul>	<h3>Traffic and Transport Studies</h3> <ul style="list-style-type: none"> <li>– Transportation of material and traffic associated with this activity.</li> <li>– Study of traffic generated by the industrial activity of the Muga Mine and the effect on the existing road network.</li> </ul> <h3>Social Acceptance Studies</h3> <ul style="list-style-type: none"> <li>– Analysis of the degree of social acceptance for the Muga Mine Project.</li> </ul>	<h3>Socioeconomic Studies</h3> <ul style="list-style-type: none"> <li>– Study on the identification and development of suppliers for the Muga Project; and</li> <li>– Socioeconomic impact study for the Muga Mine Project.</li> </ul>

In addition to the above, the consolidated EIA includes a series of improvements aimed at minimising environmental impacts by means of a review and optimisation of the Environmental Monitoring Plan and all applicable environmental measures.

Geocalci has responded to the suggestions and recommendations from the official consultation process and the requests from different public bodies. As a result, the aforementioned consolidated EIA includes an appendix with the responses to the agencies involved in the technical evaluation of the relevant documents:

- Government of Aragón departments of Sustainability and Rural Development;
- Aragon Institute of Environmental Management;
- Ebro Water Confederation;
- Spanish Geological and Mining Institute;
- Government of Navarra department of Environment and Town Planning, part of the department of Rural Development, Environment and Local Administration;
- Government of Navarra department of Energy, Mines and Industrial Safety;
- National Geographic Institute; and
- A. Casas, O. Pueyo and J.L. Simon; Department of Earth Sciences at the University of Zaragoza.





## Other relevant activities

### Geoalcali Included in the Steering Committee for Management of the Tramo Medio del Río Aragón Protected Area

In September 2016, the *Tramo Medio del Río Aragón*, or middle section of the Aragon River, which was already listed as a Site of Community Importance under the European Habitats Directive, was designated as a Special Conservation Zone and its Management Plan was approved. This area, belonging to the Natura 2000 Network, is within the scope of the Muga Mine Project, as the project's high voltage lines passes through it. To minimise the impact of this, the project plan is to bury the line as it passes through much of the Special Conservation Zone. In November 2016, Geoalcali made a request to the Department of Rural Development, Environment and Local Administration of Navarra, to be part of the Steering Committee responsible for the management of the Special Conservation Zone, considering itself to be an interested and highly knowledgeable party with respect to the natural and social environment.



### Creation of a Response Protocol for Environmental Incidents During the Operations Phase

Geoalcali has identified the different environmental risks of its current exploration activities and response protocols for possible environmental incidents.

During the year, Geoalcali's Environment Department initiated a study of response protocols for environmental incidents in its future operational phase. This study will be completed with an Environmental Risk Analysis that is expected to be completed by the end of 2017.



### Maintenance of the Pre-Operations Water Network

During the year, Geoalcali continued with the maintenance and control of its pre-operational water network established in April 2015, with more than 400 samples and 100 analyses carried out in the year.

This network provides knowledge about the hydrogeological functioning of the area where the Muga Mine will be located, which is fundamental for an adequate design of the project including correct protection of the water environment.

Currently, the network has 25 groundwater control points (6 of which are springs) and 17 surface water points. These points are distributed both upstream and downstream of the Muga Project and monitor groundwater levels on a fortnightly basis, except for five which are monitored continuously. On a monthly basis, all points of the network are sampled and the pH, electrical conductivity and temperature are measured in situ and, in addition, water samples are taken quarterly at all points for laboratory analysis.

This control network is in continuous development taking into account the water needs of the Muga project, as a result of which the number of sampling points has increased considerably in comparison to the previous year.



## Environmental Management of Exploration Activities

### ENVIRONMENTAL ASSESSMENT OF THE LOCATION OF DRILL HOLES, MONITORING OF RESTORATION WORK, AND ISSUING OF ANNUAL REPORTS TO THE COMPETENT ADMINISTRATIONS.

As in previous years, the Environment Department of Geoalcali has monitored restoration work in areas affected by exploration drilling, informing the administrations of developments as appropriate.

As continuous improvement, from summer 2016 Geoalcali has established protocols for environmental assessment prior to carrying out exploration. The protocols take into account the content of restoration plans and Geoalcali's environmental mapping database whose aims are to: confirm the environmental suitability of the chosen location; carry out environmental and health and safety recommendations and consider requirements; and program inspections of the work; and carry out additional restoration recommendations which are deemed appropriate.

### DEVELOPMENT OF RESTORATION PLANS AND EXPLORATION PERMITS

The Environment Department develops and updates the restoration plans for the various exploration permits held by Geoalcali in accordance with decree *975/2009 of 12 June 2017*, which governs the management of industrial waste extraction and the protection and rehabilitation of the area affected by mining activities.

During the year Geoalcali continued to:

- Update the content of the Restoration Plans of Exploration Permit number 35.880 "Ampliación Adios"
- Develop the Restoration Plan for Exploration Permit number 36.000 "Palero."

### ENVIRONMENTAL INSPECTIONS OF OFFICES AND WORK SITE

In order to monitor its practices in Quality, Environment and Health and Safety, Geoalcali has carried out annual inspections on 100% of its drilling contracts, at least 50% of exploration drilling, and all of its full time work centres, monitoring the resolution of any deficiency, non-conformity or improvement opportunity identified. During the year, eight inspections were carried out.



## Protection For Biodiversity

The Environment Department assesses and participates in the Geoalcali Foundation's design of environmentally orientated projects. For example, the installation of bird and bat nesting boxes in an area that will be monitored via webcam in accordance with the collaboration agreement with the NGO SEO/Birdlife that was created last year.

### Environmental Monitoring

Geoalcali has a series of specific environmental indicators for monitoring its performance. This monitoring is to evaluate the Group's activity in terms of its environmental impact. The results are used to establish new mechanisms focused on continuous improvement.

Currently the following aspects are being monitored.

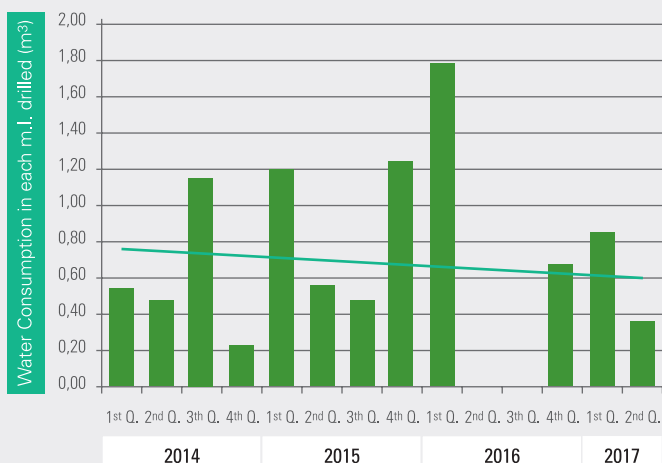
- Environmental protection;
- Water requirements;
- Land requirements;
- Use of toxic substances;
- Energy consumption;
- Drilling;
- Dangerous waste; and
- Environmental incidents.

During the year, no environmental incidents occurred and all drilling sites have been restored.

In addition to the above indicators, a concrete follow-up plan will be carried out on the Material Topics that have been evaluated as significant in the materiality matrix on page 9.



## Water Consumption



## Water Management

During the current exploration and project design phase, water consumption has been managed in relation to the metres drilled.

Among other factors, consumption varies depending on the depth of the drilling (the consumption per metre increases at greater depth), the drilling diameter, the type of drilling, and whether or not hydrogeological tests are carried out.

## Waste Management

Geocalcali has an inventory that details the type of waste generated and its management. This inventory is complemented by a Record Book which reflects the amount of waste generated, the authorised administrator, dates of cessation, and other relevant information.

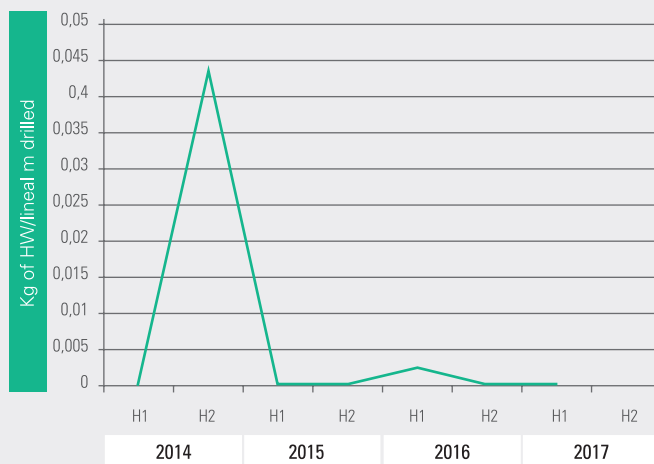
The chart on the right and below, shows results of the monitoring of hazardous waste and drilling muds.

The generation of hazardous waste is related to the campaigns of exploration drilling. The timing of exploration explains the variability in the chart.

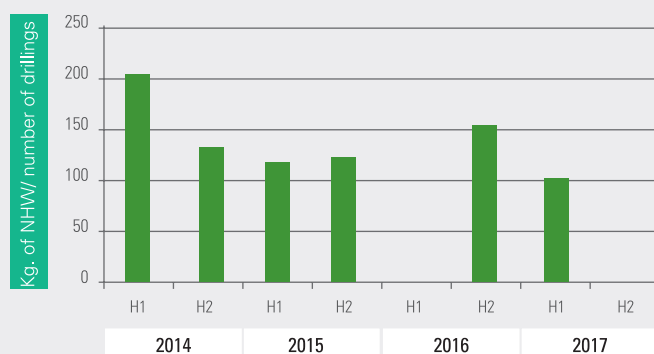
The drilling mud generated is measured by weight in kilograms per 100 metres of drilling. This metric varies according to several variables such as depth and geological characteristics.

Non-hazardous waste such as plastics from bags and HDPE sheets from brine ponds are measured quarterly in kilograms per number of surveys carried out. This indicator is less variable as it is less affected by drilling characteristics.

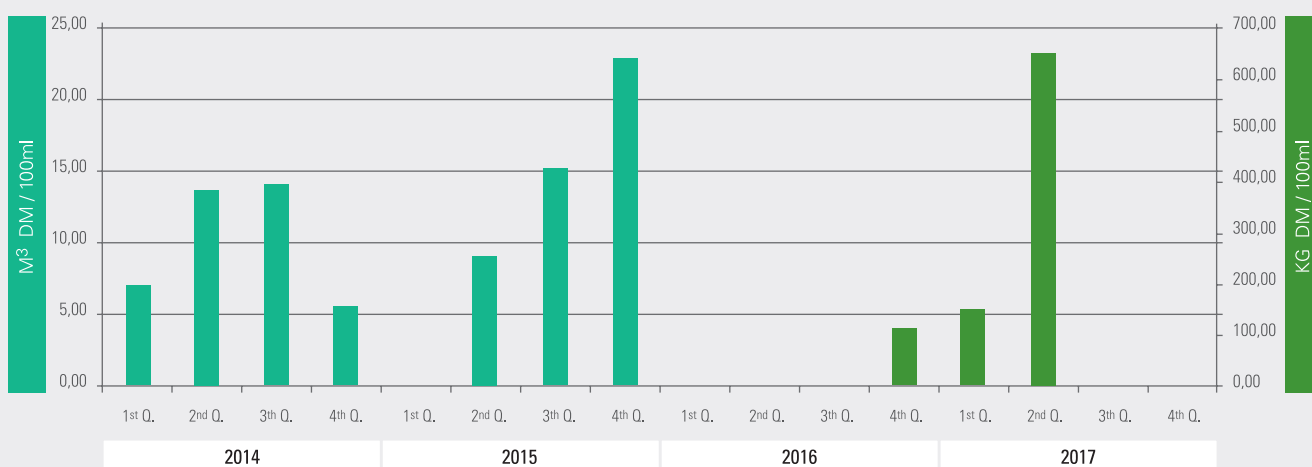
### Generation of Hazardous Waste ("HW")



### Generation of Non- Hazardous Waste ("NHW")



### Generation of Drilling Muds ("DM")





## Energy Consumption

In the current exploration phase, energy consumption is low but is nonetheless measured. In addition, several improvements have been made to the design of the Muga Mine Project in order to minimise energy consumption.

## Environmental Awareness and Training

Geoalcali is committed to staff training and the Environment Department has participated in a number of training courses, talks and conferences including the following:

- Compatibility of the Mining Industry with Nature 2000;
- Feeding the World: Food initiatives for a sustainable world;
- Horizon 2020: Climate Action, Environment, Resource efficiency and Raw Materials;
- Final Seminar of the LIFE-RegadiOX project, held by LIFE REGADIOX in partnership with UPNA, INITIA and Fundación Fundagro; and
- Water Footprint: Indicator in the efficiency and sustainability for better water management. Held by MAPAMA.



# Our Community

## COMMITMENT AND COLLABORATION WITH SOCIAL ENTITIES AND COMMUNITIES

### Muga Mine and the Community

Muga is located about 50 kilometres south east of Pamplona, within the communities of Undués de Lerda and Urriés (Aragón), Sangüesa and Javier (Navarra). The location of the project will be on non-irrigated low quality agricultural land in areas not designated as protected and without the need to relocate any local population. The surface facilities will occupy about 200 hectares.

This project is based on studies carried out in the 1980s and further work by Geoalcali. In Muga the predominant potash mineral is called sylvinite. The deposits are shallow, especially in the south-east section of the project, which allows conventional mining with two access ramps, as in the Definitive Feasibility Study published in March, 2015. This represents the lowest risk approach for workers and the surrounding communities.

The mine openings for the two ramps are located in Aragón, in the community of Undués de Lerda. The process plant will be in Navarra, near the town of Sangüesa.

The impacts of the project are reflected in the EIA where each of the risks is analysed and the mitigation strategies described. The Environment section in the updated EIA includes a table with all suggestions for improvement adopted after the Official Consultation Period and suggestions from the community.

A project like Muga, which will last for several decades, offers the opportunity to create a sustainable benefit for the administrations and residents of the region. The Group is committed to prioritising the local community, both in training and employment. The Muga Project alone is estimated to create over 800 jobs, building up gradually over time, including operators, administrative, technical and logistics personnel. The project will also contribute to the creation of indirect employment opportunities several times the number of direct jobs generated.

An industrial project of this magnitude will bring with it significant social benefits due to the income that will be generated and the socio-economic boost that the region will receive over many years. The approval of this project means not only a direct benefit in the creation of employment, and taxes, but also multiple benefits such as employment of local contractors, support services for the mine, and local community support programmes.



### Active Participation and Development in the Local Communities

The Group believes that active community involvement is the key to identifying ways in which it can effectively contribute to community development. Thus, the Group seeks to:

- Promote higher levels of well-being within the community;
- Improve the quality of life of the communities that we operate in;
- Increase and diversify economic activities that will better meet the needs of society;
- Contribute to the eradication of poverty and inequalities; and
- Contribute to the development of communities through the balanced distribution of benefits.

One of the key areas of community development to which an organisation such as Geoalcali can contribute is the creation of jobs. We also understand that we can play an important role through social investments in the generation of wealth and income including initiatives for local economic development, expanding education programs and developing skills for employment, cultural preservation, and support for health services.

Each community has unique knowledge, resources and capabilities and since the outset, Geoalcali and its Foundation have been committed to understanding the specific needs of each one. This approach is also important in achieving the mutual benefits of a shared vision and a common understanding of development priorities and partnerships to promote sustainable results.



## Committed to Public Participation and open communication

Our objective as a Company is that the Muga Mine develops with transparency and the involvement and collaboration of all stakeholders, especially local communities, establishing direct communication channels that allow us to develop this initiative with the best outcomes for everyone. In this way, within its Corporate Social Responsibility (CSR) strategy and its 2015 Public Participation and Communication Plan, Geocalcali undertook a voluntary Public Participation Process for the Muga Mine, conducted between April and June 2016. Responding to the recommendation made by the Government of Navarra, the objective of this process was to understand first hand and through the local leaders, the opinions of, and the information required by, the associations, administrations and people located near the Muga Mine project. For them, Geocalcali provided a public participation without precedent in the sector, developing actions that go beyond the required regulations. In doing so, we have complied with current legislation pertaining to public participation (Law 27/2006) and environmental evaluation (Law 21/2013). Separately, the mandatory legal procedure of Official Public Consultation was also carried out in 2015 as part of the permitting process.



Working sessions with Mayors of the region to discuss local community citizens' participation on Muga project



Open participation of citizens during the public sessions carried out in June 2016.



During the period from July 1, 2016 to June 30, 2017, the following milestones have been met regarding the involvement from residents in our participatory process.

**23 Commitments made to the town halls in the area,** including transparency, respect for the environment and the local communities, quality employment and accountability.

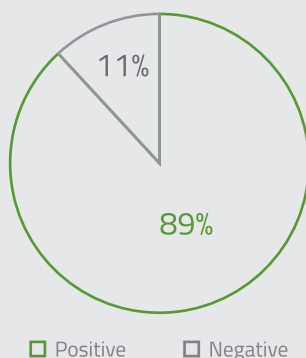
In October 2016, Geoalcali officially presented to the mayors of the regions of Sangüesa and Cinco Villas, 23 Commitments that the Company has undertaken as a result of the voluntary Public Participation Process.



Suggestion boxes were placed in the town halls of the regions in December 2016, in order to gather suggestions, requests and complaints from residents:

Place	Quantity
Sangüesa	1
Casa de Cultura de Sangüesa	3
Sos del Rey Católico	0
Undués de Lerda	1
Javier	0
Urriés	4
Liédena	0
Navardun	0
Pintanos	0
Yesa	0
Positive	8
Negative	1
Total	9

Mailbox Comments



Participation from the online “Queremos Escucharte” (We want to listen to you) page

Positive	16				
Negative	0				
Queries	3	Querye responde	3	Total	100%

**100%** OF QUERIES RECEIVED HAVE BEEN RESPONDED

**86%** HAS EXPRESSED SUPPORT FOR THE PROJECT

Increase in subscribers to the periodic information bulletin, from 2,724 subscribers in June 2016 to

**2,836**  
SUBSCRIBERS  
IN JUNE 2017

**22 UPDATES**

have been published on Geoalcali and the Muga Mine, thus responding to the commitment requested by the public to expand information and supply it directly to households

- 5 suggestion boxes.
- 6 inserts in local magazines
- 11 online communications sent
- Website updates

More Information: <http://www.geoalcali.com/wp-content/uploads/2016/10/Compromisos-y-Plan-de-Acci%C3%B3n-Baja.pdf>



# Geoalcali Foundation

Community development is much more than philanthropy, and should not be used as a substitute for other social responsibility measures. It is not an isolated gift to the community, but an ongoing relationship between the organisation and the community. Bearing this in mind, many agreements have been reached with local communities, associations, foundations, social entities and representatives of the communities involved.

All of these initiatives aim to promote community participation and are aligned with the recommendations of the ISO 26000 Social Responsibility Guide for stakeholders and the United Nations Sustainable Development Goals ("SDG").



QUALITY EDUCATION



SOCIAL INTEGRATION



SUSTAINABLE  
COMMUNITIES
















































COMMITTED TO THE  
ENVIRONMENT

## At a Glance

ISO 26000 recommendation/SDG	Participation of the Foundation in the Community	Geoalcali Foundation Pillars
Social Investment that promotes Social and Economic Development through Tourism  	1st Mountain Race of Competition Cars to Petilla de Aragón	
	Rural Sport Day	
	La Conquista del Castillo	
	Restoration of La Súbita	 
Initiatives that promote Health     	Children Against Cancer	
	Urriés Sports Association	
	Cantolagua Sports Club – Skating Club	
	Education program for Basketball coaches in Sangüesa	
	Sponsored the registration of young people	
	Medical and ambulance expenses	
	The creation of the City Council of Liédena web page	
Development and Access to Technology    	Sponsoring IT material for educational purposes in IES FP Lumbier School	
	Alta Cinco Villas Community e-learning program	 



ISO 26000 recommendation/SDG	Participation of the Foundation in the Community	Geoalcali Foundation Pillars
Promotion of Education and Culture	Training courses in Javier	
   	Support Liédena's cultural heritage initiatives	
 	Support Petilla de Aragón cultural heritage initiatives	
	Support Caseda cultural events	
	European Heritage Days in Gabarderal	
	Navarran Guard Dog Association	
	Penultimate trip of the Irati train school history programme	 
	Brotherhood of Santa Bárbara festivities	
	Restoration of the San Bartolomé Hermitage in Rocafort	
	Restoration of the Altarpiece of the church of San Esteban de Yesa	
Employment Creation and Activity Development	Supported the creation of social employment in Liédena	
   	The OrganiK project	 
   	Nursery School in Sos del Rey el Católico	 
Social Investment	New water treatment plant in Urriés	 
   	Cadete football tournament, "Castiliscar Histórica"	
   	School transport services for Undués de Lerda	
	"Family Respite" program, allowing carers the chance to take a short holiday	
	Collected funds for the assistance of orphaned and abandoned children	
	Charity gala to raise for solidarity projects for children with disabilities	
	San Bartolomé Recreational and Cultural Society	



## Social Investment that promotes Social and Economic Development through Tourism

THE GEOALCALI FOUNDATION HAS PARTICIPATED IN REGIONAL INITIATIVES ORIENTATED TOWARDS TOURISM WHICH HELP TO BOOST THE REGION BY PROVIDING VISIBILITY FOR POPULATIONS SEEKING TO PROMOTE THEIR REGION.

During the year the Geoalcali Foundation partnered with Petilla Motor Sport in the organisation of the **1st Mountain Race of Competition Cars to Petilla de Aragón** in order to promote and energise the area.

The Foundation also participated with the City Council of Javier in a **Rural Sport Day** with the aim of promoting and publicising one of the most popular traditions of the area, as well as the many tourist and cultural resources of this region.

The Geoalcali Foundation assisted in arranging the La Conquista del Castillo race sponsored by Diario de Noticias and CLUB K1T. It was held in June 2017, starting in Sangüesa and ending in Javier, an eight kilometre run, to further promote tourism and knowledge of the Sangüesa Region.

The Foundation partnered with the City Council of Liédena in the restoration of an old landfill site at La Súbita, to convert it into a viewing point and picnic area. In addition to its restoration, the Geoalcali Foundation donated trees to improve it as a destination and tourist spot for the area.



## Initiatives that promote Health

HEALTH IS AN ESSENTIAL ELEMENT OF LIFE IN SOCIETY AND IS A RECOGNISED HUMAN RIGHT. THROUGH ITS FOUNDATION, GEOALCALI HAS JOINED IN SEVERAL INITIATIVES TO CONTRIBUTE TO THE IMPROVEMENT OF HEALTH IN THE COMMUNITIES.

The University Clinic of Navarra supports the **Children Against Cancer** project which aims to find a solution to cancer cases and help families to cope with the high cost of some treatments and make them accessible to a greater number of people. The Geoalcali Foundation supports the University Clinic of Navarra by contributing financially to this project.

The Geoalcali Foundation supports the celebrations of festivals in Sangüesa, paying part of the medical and ambulance expenses that are necessary to **guarantee the safety** of the people celebrating.

PROMOTION BY THE GEOALCALI FOUNDATION OF VARIOUS ACTIVITIES TO RAISE AWARENESS ABOUT HEALTHY LIFESTYLES:

- Partnered with the Urriés Sports Association to support various sporting activities aimed at local residents;
- Sponsored the competitions of the Cantolagua Sports Club – Skating club of Sangüesa; and
- Supported basketball in Sangüesa by training basketball coaches. This is intended to encourage playing of basketball among young athletes and to support the development of players in both their sports and personal training. In addition, the Foundation sponsored the registration of young people with limited economic resources, making this sport accessible to all.

## Promotion of Education and Culture

PARTICIPATING IN THE PROMOTION OF EDUCATION AND PRESERVING THE CULTURAL IDENTITY OF THE TOWNS IS FUNDAMENTAL FOR PROMOTING SOCIAL COHESION AND COMMUNITY DEVELOPMENT. THROUGH THE GEOALCALI FOUNDATION WE HAVE SUPPORTED THE FOLLOWING INITIATIVES.

Collaboration with the City Council of Liédena to put together a heritage collection of its community, showing its value and publicising it through audiovisual recordings.

The Geoalcali Foundation has supported the organisation of several training courses in Javier, aimed at the population as a whole, on various subjects in order to raise interest among residents and encourage public participation, whilst boosting local life and promoting knowledge.

The Town Council of Petilla de Aragón compiled a heritage collection of its community, placing value on it and promoting it via photographs, with the support of the Geoalcali Foundation.

The Geoalcali Foundation promoted the recognition and honouring of the elderly in Cáseda for their work in contributing to the improvement in the development of the community.

The Geoalcali Foundation supported the publication of a historical heritage book of Garbarderal and its inhabitants, highlighting the value of its heritage and publicising its historical and cultural development. The Foundation also assisted with the European Heritage Days in Gabarderal in October 2016, to honour the first inhabitants of the area with the "Day of the Settler", and within the framework "Patrimony of all" promoted by the Government of Navarra.

The Foundation supported the celebration organised by the Navarran Guard Dog Association in October 2016, to get to know the different breeds of dog used to herd sheep, a symbol

of tradition and livestock history for the Region of Navarra.

30 December marks the "Penultimate trip of the Irati train", known to cover the route between Pamplona-Aoiz-Sangüesa. On this anniversary, various activities are organised, such as a model exhibition, a photocall, and a ride on the track that this train used as it passed through the town of Liédena. In addition, the first short story contest on "The train of Irati" took place. These events are intended to commemorate and publicise the historical route of the first electric railroad in operation in Spain, whose first trip dates back to 1911.

The Geoalcali Foundation once again celebrated the "Hermandad de Santa Bárbara" (St. Barbara Brotherhood) festival with ex-miners of the former potash mine located in Navarra, with the purpose of supporting and recognising its legacy in the region.

The Council of Rocaforte, supported by the Geoalcali Foundation, carried out the restoration of the San Bartolomé Hermitage in Rocaforte, a monument of significant architectural value located on the Camino de Santiago route. The restoration of this historic and culturally valuable building enhances the tolosana jacobea pilgrim route in Navarra.

The Geoalcali Foundation helped with the restoration of the Altarpiece of the church of San Esteban de Yesa, contributing also to the conservation of the artistic heritage of the noted Navarran painter Jesús Basiano Martínez.

## Development and Access to Technology

GEOALCALI IS COMMITTED TO CONTRIBUTING TO THE DEVELOPMENT OF COMMUNITIES BY ENCOURAGING THE USE OF NEW TECHNOLOGIES AND HAS CONTRIBUTED THROUGH ITS FOUNDATION TO INITIATIVES THAT IMPROVE ACCESS TO THESE TECHNOLOGIES INCLUDING TRAINING AND PARTNERSHIPS.

The Geoalcali Foundation sponsored the **creation of the City Council of Liédena** web page, providing greater exposure of the community, improving the quality of citizens information and facilitating the connectivity of residents via new technologies.

The Foundation also supported the "IES FP Lumbier" Institute in updating mechatronics students in new industrial technologies, specifically in the acquisition of two LEF Series wireless electric actuators, to improve students training.

The Alta Cinco Villas Community and the Geoalcali Foundation renewed their collaboration agreement bringing new technologies to all the citizens of the region through an e-learning program.





## Employment Creation and Activity Development

THE GEOALCALI FOUNDATION HAS COLLABORATED IN SEVERAL INITIATIVES THAT HAVE FACILITATED ACCESS TO THE WORLD OF WORK FOR PEOPLE AT RISK OF SOCIAL EXCLUSION.

The Foundation supported the town hall of Liédena in its efforts to provide work opportunities for individuals facing unemployment and/or disability.

The main objective of the Josenea Labour Association is to help people back into employment who are at risk of social exclusion. The Geoalcali Foundation supports this association and in 2014 launched the OrganiK project, an ecological orchard for the study of potash in crops in the region. This project aims to raise awareness of sustainable agriculture and the importance of healthy eating and a balanced diet. In addition, it contributes to job security for two people over the age of fifty.



## Social Investment

THE GEOALCALI FOUNDATION HAS CONTRIBUTED TO VARIOUS SOCIAL INVESTMENTS IN LINE WITH THE NEEDS AND PRIORITIES OF THE COMMUNITIES WHERE GEOALCALI WILL OPERATE WITH THE OBJECTIVE OF CONTRIBUTING TO THEIR DEVELOPMENT.

Improvements in facilities, infrastructure and social spaces

The Foundation participated in the fitting out and improvement of several public spaces in Javier, enhancing the quality of life of residents.

**The City Council of Urriés** was assisted by the Foundation in the acquisition of a new water treatment plant to improve the supply of drinking water in the community.

The Foundation supported a junior **football tournament, "Castiliscar Histórica"**, with the goal of raising 1,000 kg of food for children, which was then delivered to the Zaragoza Food Bank. The event publicised values associated with sport which contribute to a more supportive, participatory, and collaborative society which is aware of the needs of the most disadvantaged people.

The Geoalcali Foundation has contributed to the improvement of **school transport services** in the town of **Undués de Lerda** by leasing a van and hiring a driver. By providing them with school transport the initiative helps to prevent families having to relocate. The transport service can also be used by residents, especially the elderly, to assist in their daily life.

For another year, the Foundation supported **Aspace** in its **"Family Respite"** program which provides short holidays for people with cerebral palsy and/or related conditions. The program provides a break for families, including time to attend to other family matters which is not otherwise possible while caring for those with special needs.

Through the celebration of the "Los Santos Ángeles Custodios" (Holy Guardian Angels), the Geoalcali Foundation and patrons the National Police Corps **collected funds for the assistance of orphaned and abandoned children** living in highly vulnerable situations.

The Geoalcali Foundation supported the Juan Bonal Foundation in a **charity gala to raise funds for solidarity projects that improve the quality of life for children with disabilities**, maximising their ability to achieve the greatest possible independence in their living environment, as well as promoting their inclusion and support in the social field.

The Foundation has contributed to the refitting of the **San Bartolomé Recreational and Cultural Society**, the only meeting point in the town of **Rocaforte**. The restoration of this area provides residents with a space for a multitude of activities.

The Geoalcali Foundation continues to focus on education and facilitating access to employment for women in rural communities by supporting the maintenance of the childrens nursery in Sos del Rey el Católico and paying part of the cost of the supervisor who manages the service.

# Commitment to both the Academic and Professional world

## Navarra's Public University

In March 2017, Geoalcali was invited to the Public University of Navarra's Faculty of Business and Economic Sciences to give a seminar to an Administration and Business Management class about the Muga Mine Project.



Peter Albert presents the fundamentals of the Geoalcali project to the students

## Montan Universität – University of Leoben

In September 2016 the Chairman and students of Engineering, Mining and Economics of Minerals at the University of Leoben (Austria) visited Geoalcali to learn first hand the characteristics of the Muga Mine project. This university toured nine mining projects in Spain and chose Geoalcali as one of its study projects.

During the visit, the project was explained, and the visitors were shown the workings of an exploration campaign and the requirements that must be fulfilled in respect to audits when evaluating a deposit. They also visited the area where the facilities will be located.



Students from the University of Leoben at the location of the future mine

## School of Mining Engineering of Madrid at the Technical University of Madrid (ETSIME)

Geoalcali collaborated with the university in a scientific research project on Compressed Air Energy Storage (CAES) in its project engineering laboratory, directed by Professor

D. Bernado Llamas Moya. Geoalcali participated by providing footwall salt samples for a campaign of laboratory tests aimed at characterising the geomechanical behaviour of salt.

## Participation in Professional events

Geoalcali participated with other Navarran companies in the CSR Forum organised by Caixa Forum and Diario de Navarra to exchange experiences and better practices in CSR.

## Sponsorship

Geoalcali was one of the sponsors of the International Mining and Metallurgy meeting organised by the National Confederation of Employers of Mining and Metallurgy (CONFEDEM) in Madrid. This meeting aimed to demonstrate the intention of the mining and metallurgical industries to operate within the framework of excellence and sustainability. This year, the fourth edition of the Sustainable Metallurgical Mining Forum was held with EUROMINES, which brought together its Policy Committee (with Sustainability Certification as one of its key themes) and the AMC in Madrid (Canada's Mining Confederation), a counterpart of CONFEDEM. The two parties maintain close relations and a signed Letter of Intent with an agreed agenda of work to arrive at a "merger" of GMMS (Mining Management Sustainable Metallurgy) and TSM (Towards Sustainable Mining) within eleven months.



## Member of Associations

The Group and its senior executives continue to be members of:

- National Confederation of Employers in Mining and Metallurgy (CONFEDEM);
- Aragón Association of Mining Companies (AEMA);
- Association of Navarra Mining Companies (AEMINA);
- Australia Spain Business Association (ASBA);
- Prospectors & Developers Association of Canada (PDAC);
- International Fertilizer Association (IFA);
- Navarra Marketing Club (CMN);
- Navarra Chamber of Commerce;
- The Australian Institute of Mining and Metallurgy (AusIMM); and
- The Institute of Materials, Minerals and Mining (IOM3).

As part of our continuous improvement we consider ways to partner with companies, universities, agencies and other entities to work for education, innovation and the well-being of society, especially by focusing on the sustainable development of our business.

As a result, during the year Geoalcali became a member of the Spanish Association of Producers of Industrial Minerals (AINDEX). Through the Geoalcali Foundation it also has a link with the food chain sector after the Foundation became a member during the year of Agrifood Sector Communication, SL. It is also part of the Executive Committee of the Sustainable Food Innovation Group, at whose Feeding the World working sessions it may sponsor and propose topics for the sustainability of the industry.

## Other Geoalcali collaborations during the year

- Research into Tecnosoles for land restoration purposes with the University of Santiago de Compostela;
- Evaluation of the management of gases in a mining environment with the University of Oviedo;
- Yesa-Mine vibration Study with the University of Cantabria Torres-Quevedo Foundation;
- Analysis of the historical earthquake near the Berdún Canal with the University of Granada;
- Active fault analysis for the Muga Mine area with the University of Zaragoza;
- Collaboration with the Corporate Responsibility Intern program within the Program of Educational Cooperation promoted by the University of Zaragoza and the Aragon Institute of Development; and
- Internship program with Sheffield Hallam University in the UK.



# Our People

## WORKING TOWARDS A HEALTHY ENVIRONMENT

### HR Management

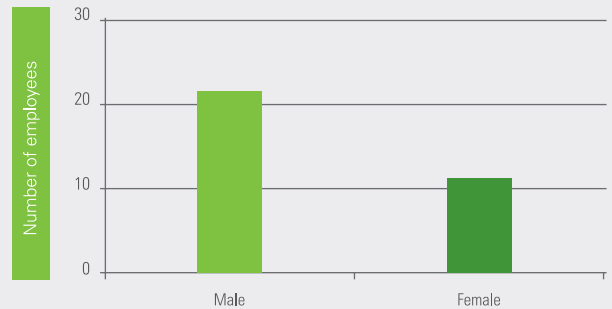
At 30 June 2017 Geoalcali had a team of 40 people, 26 men and 14 women. Employment numbers for the Muga Mine will build up gradually to an estimated total of around 800 positions when the mine is in full operation.

With the generation of quality employment, Geoalcali will contribute to the economic recovery of the communities where it will operate. Registered unemployment rates in the first quarter of 2017 were 10.3% and 14.2% in Navarra and Aragón respectively.

Generating quality employment, and being a benchmark for people in their job search, are priorities built into Human Resources policies that reflect the importance to the Group of its people. The Group works hard to train its employees and to attract and retain talent. During the year, a total of 2,950 people submitted applications to be part of Geoalcali's future workforce, with a variety of profiles including professionals, young people looking for their first job, and experienced technical staff.

Geoalcali has training plans at business, departmental and individual level and during the year a total of 1,233 training hours were undertaken, equivalent to approximately 30 hours per person. About half of this was invested in two English and Spanish language programs established during the year, which not only improve language skills but also help make communication a tool for the integration of all of Geoalcali's people.

Distribution of Staff by Gender





## Work Life balance measures for a healthy workplace environment

During the year, we put in place a Work Life Balance Plan, as a development in our Equality Policies, further to the Equality Plan launched last year. As a result, the Navarra business institution awarded Geocalci its Reconcilia, or Work Life Balance, certificate in recognition of its pioneering efforts to establish work life balance measures. Notable among these is flexibility of working time, with a set number of working hours but flexibility in start and finish times and the ability to use IT systems to participate and attend meetings remotely, at times when family needs require an employee to be away from the office.



Award of the Reconcilia certificate

## Promoting healthy habits among employees

Different initiatives have been launched to improve the health and fitness of employees within a Healthy Living Program. These include encouragement of fresh fruit in place of processed foods and voluntary mindfulness sessions. Employees are also encouraged to participate in the Solidarity Challenge, competing with other companies. Kilometres are collected through various types of physical exercise and are then converted into donations to good causes. In addition to the health benefits for our staff who participate, this program has helped to promote the importance of healthy living throughout our organisation and helps our staff to make a contribution to good causes outside the company.



**Healthy Living**

Launching of our Healthy Living program for employees to promote a healthy lifestyle



Staff family members putting up nesting boxes to protect biodiversity in the region of the future mine.

During the year, Geoalcali enhanced its benefits package for employees to include:

- Medical services;
- Nutrition services;
- Meal tickets; and
- Agreements with various associations to receive discounts in retail and other services.

Initiatives to promote internal communications and team building:

- Coffee talks
- Breakfasts with the CEO
- Team building exercises

As well as talks on mining specific topics, Geoalcali's employee Coffee Talks have evolved to include talks on issues of general interest and health benefits, with topics during the year including Navarra taxation, healthy eating, sports and exercise, relaxation techniques, posture and physical well-being.



Teambuilding exercise 2017 - as part of Geoalcali's strategy to promote a healthy environment among departments, the Company organised its first teambuilding experience in 2017.



Geoalcali has led the Solidarity Challenge by contributing the most kilometres per person in Navarran companies, demonstrating their solidarity with social causes.

## Evaluation and performance indicators

Performance evaluation and measurement tools have been improved to make objectives clearer and more integrated at departmental, individual and Group levels. Also, a new performance measurement tool has been incorporated, which measures alignment with Geoalcali's corporate values.





## Health and Safety

The Group is committed to creating a Health and Safety culture that minimises risks in all working environments, an endeavour that requires the commitment of all involved. The Group considers it essential to provide appropriate training which is why new employees receive specific Health and Safety training.

During the year, Geocalci dedicated 251 hours to employee training on occupational risks and preventative measures, risks in the office work place, prevention of electrical risk, noise, visual data screens, lifesaving and first aid, driving risks, fire hazards, hazardous chemicals, working at height, safe handling of lifting platforms and forklifts, and theory and practical training in the use of fire extinguishers.

### Medical checks

Annual medical examinations are carried out, with all employees being passed fit for their respective work roles.

Medical considerations included: tetanus, biological agents, chemical agents, driving vehicles and/or operating machinery, dermatosis, manual handling of loads, pressure neuropathies, forced/maintained postures, noise, working at heights, respiratory problems, and use of computer VDU screens.

### Mutua for work-related accidents and occupational diseases

During the year, Geocalci renewed its arrangements in respect of insurance protection against work-related accidents and occupational diseases with Mutua de Navarra, a provider authorised by the Ministry of Employment and Social Security.

As accidents can occur on public roads and elsewhere away from our work place, a series of measures have been put in place to improve employee driver training and to update Geocalci's Road Mobility Plan.



Emergency drills carried out at the offices of Carlos III



## Geoalcali again meets the requirements of Spain's Bonus Prevention Incentive system bonus for effective Health and Safety performance in 2016

For the second year running, Geoalcali met the conditions to be able to qualify for the bonus for the calendar year 2016. This government scheme incentivises companies that are committed to reducing the number of accidents at work and take effective actions to reduce occupational risks, thereby reducing accidents in the workplace and occupational illness.

The conditions Geoalcali met to earn this bonus were:

- Invest more than €5,000 in combating occupational risks.
- General and extreme incident rates to be lower than the established limits in the ESS/56/2013.
- Not to have been punished for serious breaches in the area of prevention or Social Security.
- To be aware of fulfilment of the rules regarding Social Security contributions.
- To comply with the basic requirements for preventing risks in the work place by means of self-declaration on preventative activities, in accordance with Decree TIN/1448/2010.
- To have made documented investments in facilities, processes or teams in terms of preventing risks at work that contribute to the elimination or reduction of risks.
- To have carried out the following actions:
  - Voluntary implementation of an external assessment of the prevention system;
  - Implementation of a mobility plan to prevent accidents on the way to or during work; and
  - Certification OHSAS 18001.

HEALTH AND SAFETY TRAINING IS ONE OF OUR PILLARS

# 251 HOURS DEDICATED TO HEALTH AND SAFETY TRAINING

### Health and Safety talks

Geoalcali continued with monthly safety talks for the whole workforce, to address specific safety issues in a sequence of short meetings aimed to increase Health and Safety awareness among all employees. Talks were given about: statistics of accidents in potash mining, heatstroke, post-vacation syndrome, health promotion, mine ventilation, confined spaces and mining rescue.



# ZERO ACCIDENTS

Geoalcali's staff did not have any accidents during the financial year and the objective of Zero Accidents was therefore met.

Similarly, the contracting companies or subcontractors that work for Geoalcali experienced no accidents during the financial year, also fulfilling our objective of Zero Accidents.



# Glossary

## Environmental, Social and Governance management

Environmental, social and governance (ESG) management refers to the three central factors in measuring the sustainability and ethical impact of an investment in a company or business.

## Impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organisation has on the economy, the environment and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

## Local community

Persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organisation's operations.

## Material Topic

Topic that reflects a reporting organisation's significant economic, environmental and social impacts; or that substantially influences the assessments and decisions of stakeholders.

## Reporting period

Specific time span covered by the information reported, in this case the year ended 30 June 2017.

## Stakeholder

Entity or individual that can reasonably be expected to be significantly affected by the reporting organisation's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives.

## Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.







## Corporate Directory

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### Corporate Directory

#### Registered Office & Principal Place of Business

169 Fullarton Road  
DULWICH, SA 5065  
Australia  
Telephone: +61 8 8133 5000  
Facsimile: +61 8 8431 3502

#### Share Registry

Advance Share Registry Pty Ltd  
110 Stirling Highway  
NEDLANDS WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871

#### Securities Exchange Listing

Highfield Resources Limited shares are listed on the Australian Securities Exchange, the home branch being Perth.  
ASX code: HFR

### Corporate Information

Highfield Resources Limited is an ASX listed company.

#### Spanish Head Office

##### Geoalcali S.L.

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# GRI Content Index

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission
<b>GRI 101 : Foundation 2016</b>			
<b>General Disclosures</b>			
GRI 102: General Disclosures 2016	102-1 Name of the organization	Page 3	Reported
	102-2 Activities, brands, products and services	Page 14	Reported
	102-3 Location of headquarters	Page 45	Reported
	102-4 Location of operations	Page 14	Reported
	102-5 Ownership and legal form	Page 45	Reported
	102-6 Markets served	None of Highfield projects are currently under production. The Company does not serve any market with product or service	None of Highfield projects are currently under production. The Company does not serve any market with product or service
	102-7 Scale of the organization	Page 39 and Page 45	Reported
	102-8 Information on employees and other workers	Page 39	Reported
	102-9 Supply chain	None of Highfield projects are currently under production. The Company does not serve any market with product or service	None of Highfield projects are currently under production. The Company does not serve any market with product or service
	102-10 Significant changes to the organization and its supply chain	None of Highfield projects are currently under production. The Company does not serve any market with product or service	None of Highfield projects are currently under production. The Company does not serve any market with product or service
	102-11 Precautionary Principle or approach	Pages 5-7 and 16-19	Reported
	102-12 External initiatives	Pages 29 - 38	Reported
	102-13 Membership of associations	Page 38	Reported
	102-14 Statement from senior decision-maker	Page 2	Reported
	102-16 Values, principles, standards and norms of behaviour	Page 4	Reported
	102-18 Governance structure	Pages 18-19	Reported
	102-40 List of stakeholder groups	Page 8	Reported
	102-41 Collective bargaining agreements	All employees are collectively represented	Reported
	102-42 Identifying and selecting stakeholders	Pages 7-9	Reported
	102-43 Approach to stakeholder engagement	Pages 7-9	Reported
	102-44 Key topics and concerns raised	Pages 7-9	Reported
	102-45 Entities included in the consolidated financial statements	Visit latest Annual Report 2017 at <a href="https://www.highfieldresources.com.au/asx-releases/">https://www.highfieldresources.com.au/asx-releases/</a>	Reported

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
	102-46 Defining report content and topic Boundaries	Pages 3 -9	Reported
	102-47 List of material topics	Page 9	
	102-48 Restatements of information	No significant restatements	Reported
	102-49 Changes in reporting	Pages 4-7	Reported
	102-50 Reporting Period	Page 3	Reported
	102-51 Date of most recent report	Page 3	Reported
	102-52 Reporting cycle	Page 3	Reported
	102-53 Contact point for questions regarding the report	Page 45	Reported
	102-54 Claims of reporting in accordance with the GRI Standards	Page 3	Reported
	102-55 GRI content index	Page 46	Reported
	102-56 External assurance	This report has not been externally assured	Reported
<b>Material topics</b>			
<b>Emissions</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its Boundaries	Pages 7-9	Reported
	103-2 The management approach and its components	Pages 5 and 16-19	Reported
<b>Generation of Wealth</b>			
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Page 20 Visit latest Annual Report 2017 at <a href="https://www.highfieldresources.com.au/asx-releases/">https://www.highfieldresources.com.au/asx-releases/</a>	Reported
	203-2 Significant indirect economic impacts	Page 20 Visit latest Annual Report 2017 at <a href="https://www.highfieldresources.com.au/asx-releases/">https://www.highfieldresources.com.au/asx-releases/</a>	Reported
<b>Anti-corruption</b>			
GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	Highfield currently owns one project	Reported
	"205-2 Communication and training about anti-corruption policies and procedures"	Page 18	Reported
<b>Water Management</b>			
GRI 303: Water	303-1 Water withdrawal by source	Pages 24-26	Reported
	303-2 Water sources significantly affected by withdrawal of water	Pages 24-26	Reported
<b>Waste Management</b>			
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	Page 27	Reported
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	There are zero sanctions reported for non compliance with environmental laws	Reported



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
<b>Quality Employment</b>			
GRI 401: Employment	401-1 New employee hires and employee turnover	Page 39	Reported
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 40	Reported
<b>Occupational Health and Safety</b>			
GRI 403: Occupational Health and Safety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Pages 42-43	Reported
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Pages 42-43	Reported
<b>Health and Safety in the Community</b>			
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 29-38	Reported
	413-2 Operations with significant actual and potential negative impacts on local communities	Page 29	Reported