

ASX Release  
20 April 2020

## HIGHFIELD RESOURCES APPOINTS EXPERIENCED INTERNATIONAL MINING CEO

### Highlights

- Spanish born and experienced international CEO and natural resources sector executive, Mr Ignacio Salazar, to join the Highfield Resources Group as Chief Executive Officer from July 2020.
- Mr Salazar to be based in the Company's Head Office in Pamplona, Spain with an initial focus on obtaining the remaining permits and raising funds for the construction of Phase 1 of the Company's Muga Project followed by management of its development and then successfully transitioning it into a sustainable and profitable producing asset for shareholders.
- Board Chairman and interim CEO, Mr Richard Crookes, will continue to act as CEO until Mr Salazar commences in July 2020 and will work closely with Mr Salazar in providing transitional support.

The Board of Highfield Resources (ASX:HFR) ("Highfield" or "the Company") is pleased to advise that, following the engagement of a global search firm and the conclusion of an international search for an experienced CEO, Mr Ignacio Salazar will join the Highfield Resources Group as Chief Executive Officer with effect from 20 July 2020.

Ignacio Salazar is an international executive with an extensive career in the natural resources industry encompassing both multinational companies and junior miners. He has worked in many countries throughout Europe as well as several countries in South America. Ignacio is a proven CEO and leader with extensive line management experience, most recently with the AIM and TSX listed Orosur Mining, where he enjoyed an 11 year career.

Born and educated in northern Spain and speaking five languages, Ignacio has had a successful international career spanning over 30 years including 18 years with Royal Dutch Shell.

Following the completion of his university studies (Masters degrees in both Law and Economics from the prestigious University of Deusto in Spain's Basque country), Ignacio joined the treasury department of Hidrola (now Iberdrola), a large multinational electric utility in Spain. He then relocated to London with Management Horizon (now part of PwC) as a Marketing Consultant, followed by a return to Madrid to start working with Shell. Ignacio was soon assigned into an international career within Shell, where he led sizeable teams in finance and new business development in several upstream oil and gas subsidiaries in the UK, Germany, Denmark and Argentina as well as holding positions in central offices in London and The Hague, where he provided services to Shell entities worldwide.

**Highfield Resources Limited**  
ACN 153 918 257  
ASX: HFR

**Issued Capital**  
329.5 million shares  
24.66 million options

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Ignacio moved from Shell to join Orosur Mining as CFO in 2008. He was appointed as CEO of Orosur Mining, his current role, in early 2013. While at Orosur Ignacio obtained wide-ranging open pit and underground mining operations experience. He has a track record of building positive and robust relationships with local communities and government bodies, notably during the course of its operations in Uruguay. He also has a successful track record in mergers and acquisitions, most recently with the acquisition of a gold exploration company in Colombia and closing a strategic alliance with Newmont.

Ignacio has a proven capacity to successfully interact and operate with industry partners, governments, communities as well as the media. He is adept in developing international and local relations and also has extensive experience with the UK and North American capital markets, investor relations and in fundraising.

Highfield Resources Chairman and Interim CEO Richard Crookes announced:

*“After conducting a thorough global search we are delighted to announce this appointment and we are excited that Ignacio has chosen to join us, as we advance through this challenging time and onwards towards construction and production at our world-class Muga Potash Project. Ignacio is an energetic and recognised leader with a strong history of building relationships across cultures and with internal and external stakeholders. He has raised capital and developed projects in a wide range of jurisdictions, and we look forward to him building Muga to be a safe, successful and sustainable potash producer”.*

Mr Salazar commented:

*“I am delighted to be joining the Highfield team in Pamplona in this crucial moment and keen to start contributing to the Company. Highfield has the ingredients and the potential to create a sustainable successful potash business with its Muga project in Spain. I look forward to working with Richard, the Board and the entire team to make sure we realize that potential and create significant value for shareholders and all stakeholders alike.”*

## ENDS

*This announcement has been authorised by Mr Richard Crookes, Chairman of Highfield Resources Limited*

For more information:

### Highfield Resources Limited

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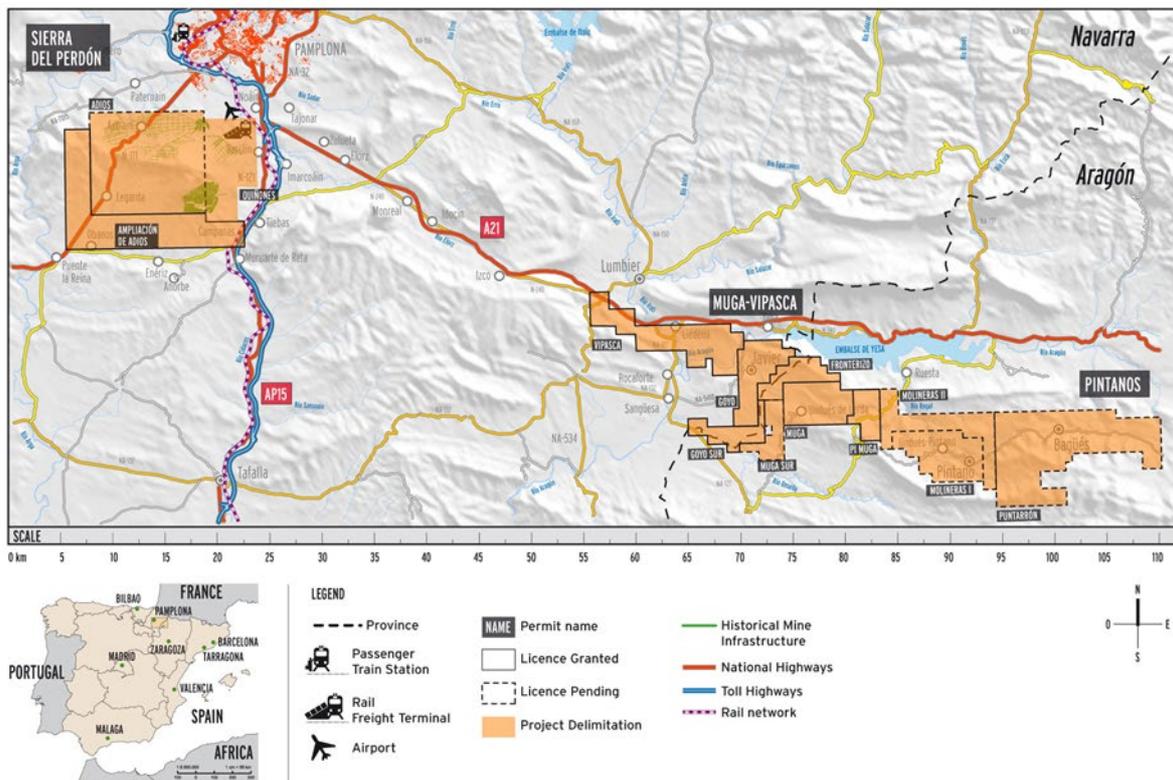
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**About Highfield Resources**

Highfield Resources is an ASX listed potash company with three 100% owned tenement areas located in Spain.

Highfield’s Muga-Vipasca, Pintanos, and Sierra del Perdón potash tenement areas are located in the Ebro potash producing basin in Northern Spain, covering an area of around 277km<sup>2</sup>.

Following the granting of a positive environmental permit in mid 2019 Highfield submitted the Mining Concession in mid-March 2020 and is continuing to work on the relevant construction permits necessary to take the Muga Project into the construction phase.



**Figure 1: Location of Highfield’s Muga-Vipasca, Pintanos and Sierra del Perdón Tenement Areas in Northern Spain**

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**Appendix 1:**

**Summary of the Key Terms of the Employment Agreement between Geocali,S.L., a wholly owned subsidiary of Highfield Resources Limited, and Mr Ignacio Salazar**

**1. Commencement Date**

Geocali,S.L., a wholly owned subsidiary of Highfield Resources Limited, will employ Mr Salazar in the position of CEO. Mr Salazar's employment is due to commence on 20 July 2020.

**2. Term**

Mr Salazar will be appointed for an ongoing term subject to termination by either party (see section 5 below).

**3. Remuneration**

*(a) Fixed Remuneration*

Mr Salazar will be entitled to a gross fixed salary of €375,000 (approx. A\$640,425<sup>1</sup>) per annum. Applicable government charges, social security and taxes will be deducted from this amount. His fixed salary will be subject to annual review, with no guaranteed increases.

*Note 1: Based on the exchange rate as at 17 April 2020*

*(b) Commencement Options*

Mr Salazar will be issued with 1,000,000 unlisted unvested options in Highfield Resources Limited within 30 days of his commencement date. The exercise price will be based on the VWAP of the Company's share price for the 30 days preceding his commencement date. The options will vest in three tranches as shown below subject to him remaining an employee as at each of the vesting assessment dates:

- Tranche 1 Vesting Assessment Date: 31 December 2020 333,333 options
- Tranche 2 Vesting Assessment Date: 31 December 2021 333,333 options
- Tranche 3 Vesting Assessment Date: 31 December 2022 333,334 options

Any vested unexercised commencement options will expire three years from their vesting date.

*(c) Short Term Incentive*

Mr Salazar will be able to earn a maximum potential short term incentive of up to €281,250 (approx. A\$480,319<sup>1</sup>) being 75% of his total fixed remuneration each year in cash and / or shares, subject to the financial and non-financial performance of Highfield Resources Limited and its related bodies corporate (**the Group**). Mr Salazar's performance targets and priorities will be set by the Board of Highfield Resources Limited in consultation with Mr Salazar. Mr Salazar is only entitled to receive a short term incentive award and payment if he is employed as at 31 December each year.

*Note 1: Based on the exchange rate as at 17 April 2020*

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(d) *Long Term Incentive*

Subject to any approval Highfield Resources Limited considers necessary or appropriate, Mr Salazar will be eligible to participate in the Highfield Resources Limited securities-based long term incentive plan in accordance with the rules of the plan and any applicable Highfield policy. Mr Salazar will be entitled to a maximum potential long-term incentive of up to €318,750 (approx. A\$544,361<sup>1</sup>) being 85% of his total fixed remuneration paid as unlisted unvested options for ordinary shares in the Company.

Under the Plan the presently Board grants eligible employees' unlisted options, which "vest" in three equal tranches over three years, providing vesting conditions are met.

Mr Salazar is only entitled to receive a benefit under the plan if he is employed as at 31 December each year. Mr Salazar's first offer of LTI options will be made for the financial year commencing on 1 January 2021.

*Note 1: Based on the exchange rate as at 17 April 2020*

**4. Other**

Mr Salazar will be provided with a €5,000 per month in-country Navarran residency allowance. The allowance is payable while Mr Salazar and his immediate family reside in Pamplona, Spain and will enable the Company's leadership of the Muga Project to continue to be based fulltime in Pamplona and be part of the local business community.

**5. Termination**

Mr Salazar's employment may be terminated at any time on three months' notice or payment in lieu of notice, for any reason including if, in the opinion of the Board, his performance is unsatisfactory.

Mr Salazar may terminate his employment with the Highfield Resources Group at any time on three months' notice or, at the Highfield Resources Group's election, payment in lieu of notice.

Depending on the reason for a termination of his employment, Mr Salazar may be entitled to severance benefits of up to nine months' fixed cash remuneration or other minimum severance benefits set by Spanish law, as applicable.

Mr Salazar's employment may also be terminated at any time without notice by Highfield Resources Group in circumstances of his misconduct or illness.

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