ASX ANNOUNCEMENT

19 February 2025

A$500,000 OF NEW EQUITY RAISED TO ADVANCE OHMGEBIRGE POTASH DEVELOPMENT

South Harz Potash Limited (ASX: SHP) (**South Harz** or the **Company**) is pleased to announce it has received binding commitments for a placement of A$500,000 (before costs) through the issue of 50,000,000 fully paid ordinary shares in the Company (**Placement Shares**) to sophisticated investors at an issue price of A$0.01 per share (**Placement**).

The Placement includes subscriptions by the South Harz Directors to the value of A$149,867 for 14,986,700 Placement Shares. This comprises 6,493,400 Placement Shares to Len Jubber (or his related entity), 7,493,300 Placement Shares to Rory Luff (or his related entities) and 1,000,000 Placement Shares to Reinout Koopmans (together, the **Director Placement Shares**).

The issue of these Director Placement Shares is subject to receipt of shareholder approval at the Company's next general meeting which is expected to be held on 14 April 2025.

Proceeds from the Placement will be directed towards:

- securing a strategic development partner or cornerstone investor(s) with the assistance of recently appointed financial adviser, Cutfield Freeman & Co;
- finalising negotiations and executing a binding agreement with Deusa for the purchase of the adjacent Sollstedt mine with substantial in-place infrastructure;
- investigating value engineering opportunities for the Ohmgebirge Project that could provide a pathway to reduce the upfront pre-production capital requirement; and
- working capital for general, administrative and technical costs and additional costs associated with the capital raise.

South Harz Executive Chairman, Len Jubber, commented,

"I would like to again express my gratitude to all participating shareholders, new and existing, for their steadfast support and commitment to the South Harz opportunity. This capital raising was notably at the same issue price as the capital raises conducted in the latter part of CY2024. A clear indication of the growing belief in the South Harz Potash story as the benefit of the regional and neighbouring mining infrastructure and logistics advantages associated with our location becomes more and more relevant in the challenging global geo-political environment.

I encourage you to view our updated investor presentation, released on the ASX today, for more information on this globally significant project."

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ASX Code: SHP
Frankfurt Code: A2DWXX

Lead Manager Mandate

The Company has engaged Martin Place Group Pty Ltd (ACN 681 213 294) (AFSL 291787) (**MPG**) to act as lead manager and bookrunner to the Placement.

Pursuant to the lead manager mandate between the Company and MPG, MPG will receive a management fee of 2% on the gross amount raised under the Placement, and a selling fee of 4% on gross amounts raised excluding funds from directors or introduced by directors and management of the Company.

Placement details

Under the terms of the Placement, South Harz has agreed to issue 50,000,000 Placement Shares at an issue price of A$0.01 per share representing gross equity of A$500,000 (before costs), comprised as follows:

- 14,986,700 Director Placement Shares, the issue of which are subject to receipt of shareholder approval;
- 35,013,300 Placement Shares (excluding the Director Placement Shares) which will be issued under the Company's existing ASX Listing Rule 7.1A placement capacity and are expected to be allotted as follows:
    - 30,013,300 Placement shares are expected to be allotted by 27 February 2025 (**February Placement Shares)**; and
    - 5,000,000 Placement shares are expected to be allotted by 23 April 2025 (**April Placement Shares**)

The Placement Shares issue price of A$0.01 per share is equal to the Company's last traded price of A$0.01 per share (closing price on 14 February 2025) and a 8.5% discount to the Company's 15-day VWAP of A$0.01093 per share.

The issue of the Director Placement Shares is subject to receipt of shareholder approval at the Company's next general meeting which is expected to be held on 14 April 2025. The Company intends to dispatch its Notice of Meeting for a general meeting as soon as possible.

Capital Structure

The effect of the Placement and on the Company's capital structure is outlined in the table below:

Fully paid ordinary shares on issue	1,052,728,708
Placement Shares to be issued (excluding Director Placement Shares)	35,013,300
Director Placement Shares to be issued (subject to shareholder approval)	14,986,700
Shares on issue (maximum)	**1,102,728,708**

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Indicative timetable

Settlement of February Placement Shares	Wednesday, 26 February 2025
Allotment of February Placement Shares	Thursday, 27 February 2025
General Meeting to approve Director Placement	Monday, 14 April 2025
Settlement of Director Placement Shares and April Placement Shares	Tuesday, 22 April 2025
Allotment of Director Placement Shares and April Placement Shares	Wednesday, 23 April 2025

This ASX release has been approved by the Board of Directors

Investor and media enquiries

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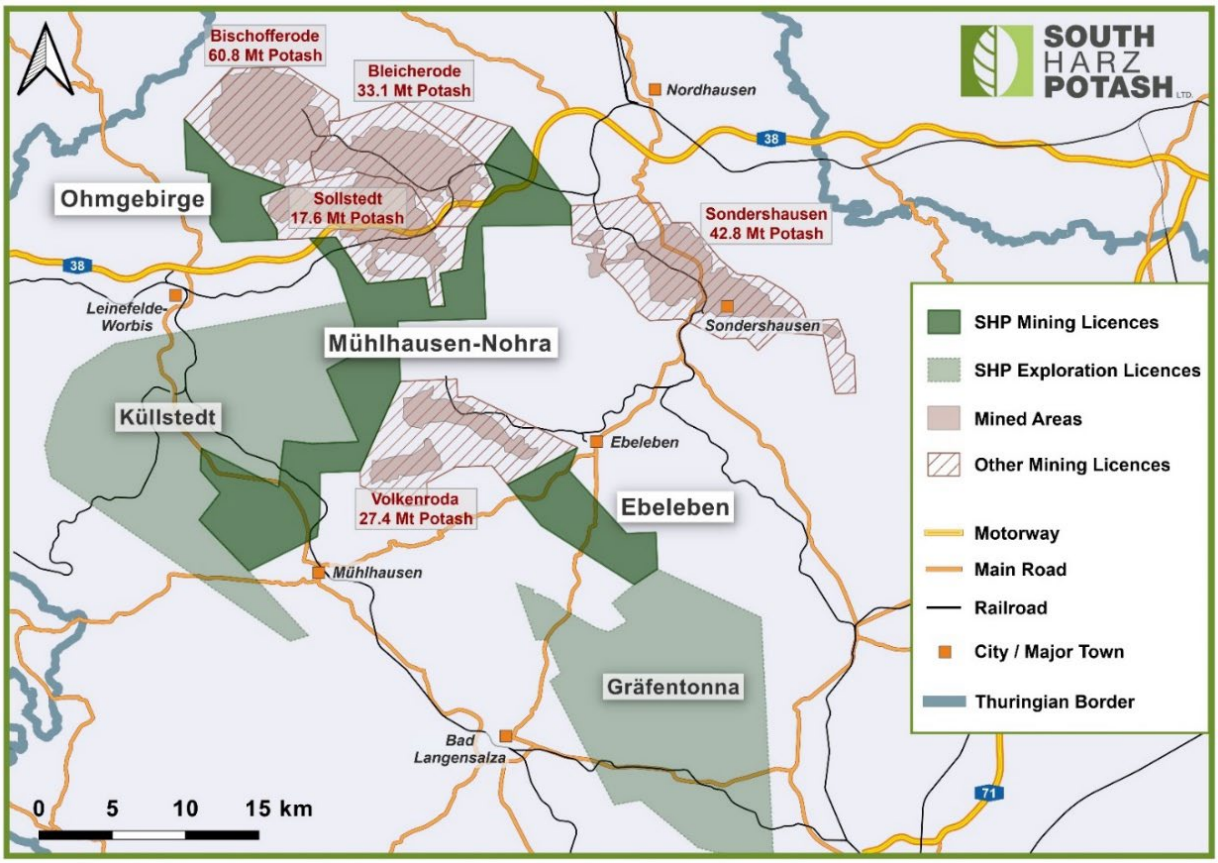
About South Harz: Responsible potash mine development in the heart of the European market

South Harz is a potash exploration and development company with its flagship project located in the historic South Harz Potash District region of Germany, midway between Frankfurt and Berlin.

The South Harz Project hosts a globally large-scale potash JORC (2012) Mineral Resource estimate of 258 million tonnes at 13.2% K_2O of Indicated Resources and 5.1 billion tonnes at 10.6% K_2O of Inferred Resources across four wholly owned project areas located favourably within central Europe. This comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben and Mühlhausen-Nohra, and two potash exploration licences, Küllstedt and Gräfentonna.

The flagship Ohmgebirge Development (1.0 Mtpa potash capacity) was the subject of a positive Pre-Feasibility Study (PFS) and maiden Ore Reserve declaration in May 2024. As part of that process, South Harz also agreed non-binding key terms for the purchase of the neighbouring Sollstedt mine property, which includes extensive underground and surface infrastructure (including multiple operating shafts). The envisaged brownfield development of Ohmgebirge (as facilitated by the Sollstedt mine) delivers significantly lower pre-production capital expenditure and surface footprint (relative to the greenfield alternatives).

South Harz also received the Spatial Planning Assessment for Ohmgebirge in June 2024, a key step in the permitting process which confirmed the compatibility of all submitted site options with regional planning requirements. www.southharzpotash.com



For full Mineral Resource, Ore Reserve, Ohmgebirge PFS and Sollstedt acquisition key terms refer to South Harz ASX announcements *Landmark Sollstedt Mine Purchase, Ohmgebirge Pre-Feasibility Study and Maiden Ore Reserve* dated 22 May 2024, and *Landmark Resource Upgrade at Ohmgebirge* dated 12 July 2022. South Harz is not aware of any new information or data that materially affects the information included in these releases and confirms that all material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.

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