

ASX ANNOUNCEMENT6th July 2021

South Harz Potash selects Ohmgebirge drillers

- South Harz Potash (“SHP”) has selected H. Anger’s Söhne Bohr - und Brunnenbaugesellschaft (“Angers”) to drill the first of two planned holes at Ohmgebirge
- Supplementary detailed information will now be submitted to regional mining authorities to support the final step in the permitting process
- Drilling of the first hole at Ohmgebirge is now expected to commence in Q4 CY2021
- Two confirmatory drill results will enable SHP to deliver a revised Ohmgebirge Mineral Resource Estimate, upgraded to the Indicated category
- Ohmgebirge Scoping Study scopes of work have been agreed with relevant consultancies
- SHP now expects to deliver Ohmgebirge Scoping Study in Q1 CY2022.

South Harz Potash (ASX: SHP, formerly Davenport Resources), the potash exploration and development company with world-class projects in Germany, is pleased to announce that subject to final contract it has selected experienced, specialist deep drilling company H. Angers Söhne Bohr - und Brunnenbaugesellschaft (“Angers”) to drill the first of two planned twin holes at its flagship Ohmgebirge project in Germany. Their appointment facilitates the submission of the supplementary details required as the final step in the first hole’s regulatory process. Following a successful permitting application, which has been guided by potash specialist consultant ERCOSPLAN KALI-INGENIEURBUERO (“Ercosplan”), and having secured drill rig availability, drilling of our first hole is expected to commence in Q4 CY2021.

The first of two confirmatory drill holes is located within the Ohmgebirge Mining Licence area, close to the village of Haynrode. SHP is already in possession of a large database of drillhole information for its licence areas, including Ohmgebirge (ASX announcement 23 December 2019) and requires only a minimum of confirmatory drilling in order to elevate the JORC status of each. Geotechnical ground surveying is currently ongoing in preparation for drill pad construction. The drillhole is planned to a depth of 665m which will fully penetrate the known potash seam. A “HAS UH 4/45” drill rig will be used for the drilling work, which will commence with 508 mm diameter casing and will recover potash and salt core with an ultimate diameter of 63.5 mm (standard HQ). The drillhole will be surveyed using a full suite of geophysical tools including caliper, borehole deviation, temperature, salinity, gamma, gamma-gamma, neutron log, resistance and acoustic logging. Cement bond logs, cement integrity test and formation integrity tests will be carried out as standard.

As part of the development programme at Ohmgebirge, SHP is conducting negotiations with landowners and tenants for second drill site options.

SHP has a total inferred resource of 5.3 billion tonnes, within that Ohmgebirge represents 325 million tonnes grading 13.1% K₂O*. SHP expects the two Ohmgebirge confirmatory holes to lead to a revised mineral resource estimate (“MRE”) with the inferred resource on that property upgraded to the Indicated category.

The Company has negotiated with providers of the various components of the Ohmgebirge scoping study and work is poised to commence once formal drilling permission is received. The scoping study will include a detailed resource

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ASX Code (Options): SHPO

Frankfurt Code: A2DWXX

424.1M Ordinary Shares

163.5M Unlisted Options

46.2M Listed Options

4.1M Performance Rights

assessment by Micon International Co Ltd ("Micon"), and the inclusion of the results from the twin drill holes leading to a revised MRE. The revised MRE will allow South Harz to report technical and economic information about Ohmgebirge for the first time. Once complete, K-Utec Salt Technologies GmbH ("K-Utec") will then revise the mining and processing sections and update both capital and operating costs. The study will also include an expert appraisal of the potash and industrial salt markets and will provide guidance price forecasts for a financial model.

As a result of the delays experienced in procuring landowner and tenant approved drill sites and the competition for drill rig availability, the Company now expects drilling of the second confirmatory twin hole and completion of the scoping study in the first quarter of calendar 2022.

SHP's Managing Director, Dr Chris Gilchrist, commented: *"I am pleased that we have agreed the first of the drill sites at Ohmgebirge and importantly secured a specialist drilling contractor, who are currently in short supply as a result of the post-COVID resources and materials rush in Europe. The team in Germany has worked hard to navigate the communications challenges caused by the COVID pandemic and will continue to do so to mitigate any further delays."*

"The potash market has picked up significantly over the past few weeks as post-COVID food security fears have fueled substantial crop price increases which, in turn, has driven fertilizer sales and prices upwards providing a favorable backdrop to develop the first of our exciting potash projects within the heart of Europe."

This announcement has been approved by the Board of Directors of South Harz Potash Limited.

Investor & Media Enquiries

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**In accordance with ASX Listing Rule 5.23, the Company is not aware of any new information or data that materially affects the information included in the previous market announcement of 23 December 2019 which refers to the total JORC Inferred Resource held by South Harz Potash Limited and specifically to the JORC Inferred resource at Ohmgebirge.*

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Notes to Editors:

South Harz Potash (ASX: SHP) is a potash exploration and development company with projects in the South Harz Potash District region of Germany, midway between Frankfurt and Berlin. Collectively, it hosts a massive potash resource across four wholly-owned projects located favourably within central Europe; Ohmgebirge, its flagship project, Ebeleben, Mühlhausen-Küllstedt and Nohra-Elende which have a total JORC Inferred resource of 5.3 billion tonnes at 10.8% K₂O (potassium oxide)*.

South Harz Potash's project portfolio comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben, Mühlhausen-Nohra and two potash exploration licences, Küllstedt and Gräfentonna, covering a total area of approximately 659km². With established infrastructure, the projects are potentially well positioned to enable SHP to develop mines rapidly and at relatively low cost.

South Harz Potash - Growing a responsible potash business in the heart of Germany.

www.southharzpotash.com

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