

ASX ANNOUNCEMENT

13 December 2021

A\$5.3m EQUITY RAISING TO ACCELERATE OHMGEBIRGE

- Oversubscribed placement raises A\$5.3 million gross proceeds at an issue price of A\$0.12 per share.
- Enables acceleration of evaluation program at the flagship Ohmgebirge development, including rapid transition to Feasibility Study activities during Q2 2022.
- First drill pad nearing completion with expected drilling commencement in coming weeks.
- Scoping Study workstreams underway with targeted completion by end Q1 2022.

South Harz Potash Limited (ASX.SHP) (**South Harz** or the **Company**) has raised A\$5.3m via a placement of new ordinary shares (the **Placement**) to a range of new and existing sophisticated and institutional investors, including directors and senior management.

This equity raising places the Company in its strongest financial position to date and ensures it is well-funded to complete the two-hole drilling program, targeted Mineral Resource estimate upgrade and Scoping Study finalisation at its flagship Ohmgebirge development.

Drilling and assay of these two confirmatory drillholes, expected to commence in coming weeks, is targeted to allow South Harz to upgrade a substantial proportion of the current Ohmgebirge JORC (2012) Inferred Mineral Resource estimate (325 Mt at 13.1% K₂O)¹ to the Indicated category. Subject to concurrent and satisfactory advancement of all modifying factors, this is expected to allow the release of a comprehensive Scoping Study (a preliminary technical and economic assessment) for Ohmgebirge, which is scheduled for completion by end Q1 2022.

The new funding also delivers South Harz the ability to rapidly transition into planned Feasibility Study workstreams on Ohmgebirge during Q2 2022, through providing the flexibility to secure key consultants and book testwork programs in advance. Finally, the additional funds will allow the Company to drive organisational capability and bolster general working capital, including the recruitment of further specialists in Germany to support the planned development of Ohmgebirge and the broader South Harz Potash Project.

Commenting on the successful capital raise, South Harz Managing Director, Dr Chris Gilchrist, said:

"I would like to thank both new and existing shareholders for their overwhelming support in this raising. The additional funds will allow us to rapidly build on the successes of the past few months. In particular, we are now in a position to accelerate evaluation of our world-class Ohmgebirge development through 2022."

"The entire South Harz team is excited to be on the verge of drilling the first hole under our ownership at Ohmgebirge. We believe that the specific geological and geographical attributes of this deposit, and the broader South Harz Project, deliver the strong potential for the finalisation and release of a truly transformational Scoping Study in late Q1 2022."

"This is set against a background of a global potash market facing increasing supply constraints and geopolitical challenges, evidenced in the rapid and substantial increases in potash prices which the market expects to continue into 2022. We believe that South Harz provides premier exposure to a world-class potash development project, located in a Tier 1 operating jurisdiction, at the centre of a key global demand market."

CONTACT DETAILS

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ASX Code: SHP

ASX Code (Options): SHPO

Frankfurt Code: A2DWXX

430.6M Ordinary Shares

154.2M Unlisted Options

46.2M Listed Options

4.1M Performance Rights

Placement Details

The Placement will result in the issue of 43,841,669 new fully paid ordinary shares at an issue price of A\$0.12 per share to raise a total of A\$5.3 million in new equity proceeds (before costs). The Placement shares are to be issued under South Harz's existing placement capacity pursuant to ASX Listing Rule 7.1.

The Placement issue price represents an approximate 12% discount to the 5-day volume weighted average price (VWAP) for South Harz shares of A\$0.136 per share.

The Placement comprises the issue of 41,666,669 shares at \$0.12 per share raising \$5,000,000 and the balance of 2,175,000 placement shares raising \$261,000 to be issued to South Harz Directors (or their respective nominees), subject to shareholder approval. The issue of shares to Directors is subject to shareholder approval at a shareholder general meeting to be called as soon as practicable.

The Placement shares are expected to be issued on or around 20 December 2021.

Morgans Corporate Limited acted as Lead Manager to the Placement with Cenkos Securities plc (UK) acting as joint bookrunner.

This announcement has been approved by the Board of Directors.

On behalf of South Harz Potash Limited,
Dr Chris Gilchrist, Managing Director

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About South Harz

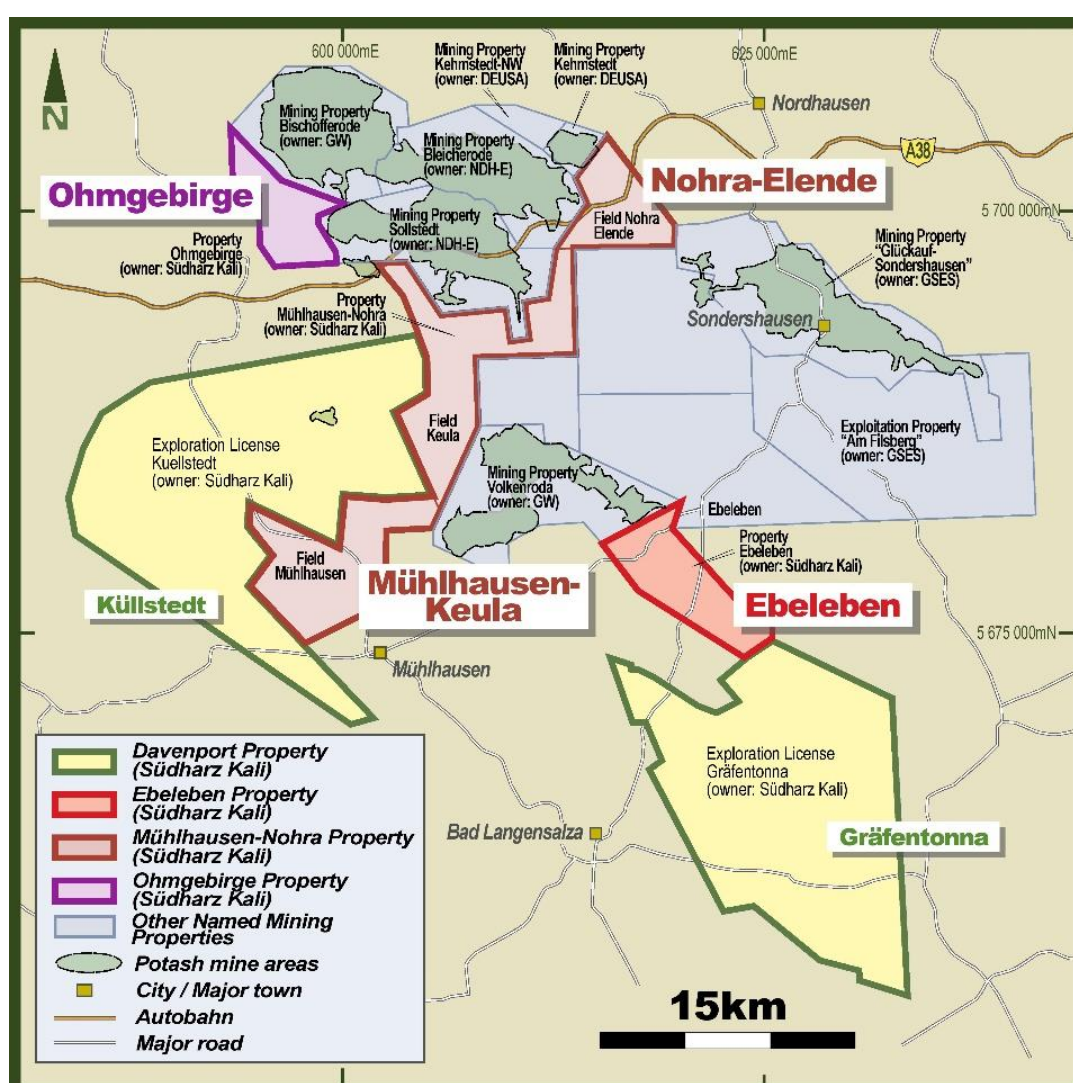
South Harz Potash (ASX: SHP) (**South Harz**) is a potash exploration and development company with its flagship project located in the South Harz Potash District region of Germany, midway between Frankfurt and Berlin.

The South Harz Project hosts a globally significant large-scale potash JORC (2012) Inferred Mineral Resource of 5.3 billion tonnes at 10.8% K₂O across four wholly-owned project areas¹ 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, covering a total area of approximately 659km².

With strong established infrastructure and close proximity to the key European market, the South Harz Project is well positioned to enable rapid development across multiple deposits.

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

www.southharzpotash.com



¹ 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 (ASX announcement 23 December 2019) and that all material assumptions and technical parameters underpinning the estimate in the previous market announcement continue to apply and have not materially changed.