

**ASX ANNOUNCEMENT**

15 December 2023

**A\$2.4 MILLION CAPITAL RAISING TO FUND EXTENDED  
OHMGEBIRGE PROJECT PRE-FEASIBILITY STUDY**

South Harz Potash Limited (ASX:SHP) (**South Harz** or the **Company**) is pleased to announce that it has received binding commitments for a placement to sophisticated and professional investors to raise approximately A\$1.25 million (before costs) at an issue price of A\$0.023 per share (**Placement**). Up to A\$1.2 million in additional funds is also set to be raised via a 1-for-15 pro-rata non-renounceable rights issue to eligible shareholders (**Rights Issue**). The Company has engaged Morgans Corporate Limited (ACN 453 414 852) (AFSL 235407) (**Morgans**) to act as lead manager and bookrunner to the Placement and Rights Issue.

- Up to approximately A\$2.4 million in new funding to be raised via Placement and Rights Issue.
- Funds raised to finalise delivery of Ohmgebirge Pre-Feasibility Study (**PFS**) targeting utilisation of the brownfield Bernterode shaft infrastructure as the base case development pathway.
- Well supported by existing institutional and retail shareholders including Australian and European investors.
- Directors to take up their full rights and partially underwrite a combined total of \$170,000 of the Rights Issue.
- Ongoing cost efficiency initiatives delivering streamlined organizational presence and activities.

**South Harz Managing Director and CEO, Luis da Silva, commented,**

*South Harz Board and management continue to minimise expenditure unrelated to completion of the PFS and appreciate the support of the existing shareholder base, who have demonstrated an unwavering belief in the immense potential value inherent in our flagship Ohmgebirge Potash Project. The team are dedicated to advancing this world-class development opportunity and committed to becoming the sustainable European MOP supplier of choice.*

*We look forward to sharing these outcomes with our current and potential future investors in early CY2024.”*

## Use of proceeds

Proceeds from the Placement and Rights Issue are planned to be directed towards:

- Completion of the PFS on South Harz's flagship Ohmgebirge potash development targeting inclusion of value engineering for the optimised brownfield scenario;
- Complete commercial terms for the existing brownfields infrastructure;
- Consultation for the spatial permitting process;
- Continue engagement with strategic parties, and
- General working capital.

## Placement details

Under the terms of the Placement, South Harz has agreed to issue approximately 54,134,773 new fully paid ordinary South Harz shares (**Placement Shares**) at an issue price of A\$0.023 per share to raise A\$1.25 million (before costs).

The Placement Shares are to be issued under South Harz's existing ASX Listing Rule 7.1 capacity.

The Placement is expected to settle on 20 December 2023, with the Placement Shares to be issued and commence trading on the ASX on a normal settlement basis on 21 December 2023.

The Placement Shares issue price of A\$0.023 per share represents an 17.9% discount to the Company's last traded price of A\$0.028 (closing price on 12 December 2023) and to the Company's 10-day VWAP of A\$0.028.

## Rights Issue

The Rights Issue will comprise an offer on the basis of one (1) rights share (**Rights Share**) for every fifteen (15) existing shares held by Eligible Shareholders (defined below) at the Record Date 5:00pm AWST on 8 January 2024 (**Record Date**). Up to 51,934,145 Rights Shares will be issued on the same terms as the Placement, at an issue price of A\$0.023 per Rights Share to raise approximately A\$1.2 million (before costs).

The Rights Issue will be available to shareholders who, as at the Record Date, have a registered address in Australia New Zealand or any other shareholders in other jurisdictions to whom South Harz decides to make offers (**Eligible Shareholders**).

It is proposed that the Rights Issue will be partially underwritten by Luis da Silva (Chief Executive Officer and Managing Director), Leonard Jubber (Non-Executive Director) and Seamus Cornelius (Non-Executive Director). It is proposed that Mr da Silva to underwrite \$39,618, Mr Jubber to underwrite \$25,506 and Mr Cornelius to underwrite \$21,053 of the Rights Issue (**Underwriting**). The Underwriting is subject to and conditional on the South Harz entering into an underwriting agreement with each of Messer's da Silva, Jubber and Cornelius.

## Lead Manager Mandate

Pursuant to the lead manager mandate between the Company and Morgans, Morgans will receive 6% fee on the gross proceeds raised under the Placement as well as 3,500,000 unlisted options exercisable at \$0.08 and expiring 3 years from issue date.

Further details of the Rights Issue, including details on how to accept and key risks of the Rights Issue together with a summary of the key terms of the lead manager mandate, potential underwriting agreements including the termination events, will be set out in a prospectus which is expected to be released to the ASX on Tuesday, 2 January 2024 and dispatched to eligible shareholders on Thursday, 11 January 2024. Outlined below is a timetable of relevant events and dates relating to the Rights Issue. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the *Corporations Act 2001* (Cth) and other applicable laws, the Company's Board reserves the right to modify all dates, including the Rights Issue closing date.

### Indicative timetable

Lodgement of Prospectus with ASIC, ASX and lodgement of Appendix 3B	Tuesday, 2 January 2024
Ex date	Friday, 5 January 2024
Record Date for determining Entitlements	Monday, 8 January 2024
Prospectus sent out to Eligible Shareholders and Opening Date of the Offer	Thursday, 11 January 2024
Last day to extend the Closing Date of the Offer	Wednesday, 31 January 2024
Closing Date*	Monday, 5 February 2024
Shares quoted on a deferred settlement basis	Tuesday, 6 February 2024
Announcement of results	Wednesday, 7 February 2024
Dispatch date of holding statements, issue of New Shares	Monday, 12 February 2024
Trading commences for New Share	Tuesday, 13 February 2024

**This ASX release has been approved by Managing Director, Luis da Silva.**

### Investor and media enquiries

**Luis da Silva**

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**ASX Code:** SHP

**Frankfurt Code:** A2DWXX

**724.9 M** Ordinary Shares

**113.5 M** Unlisted Options

## About South Harz

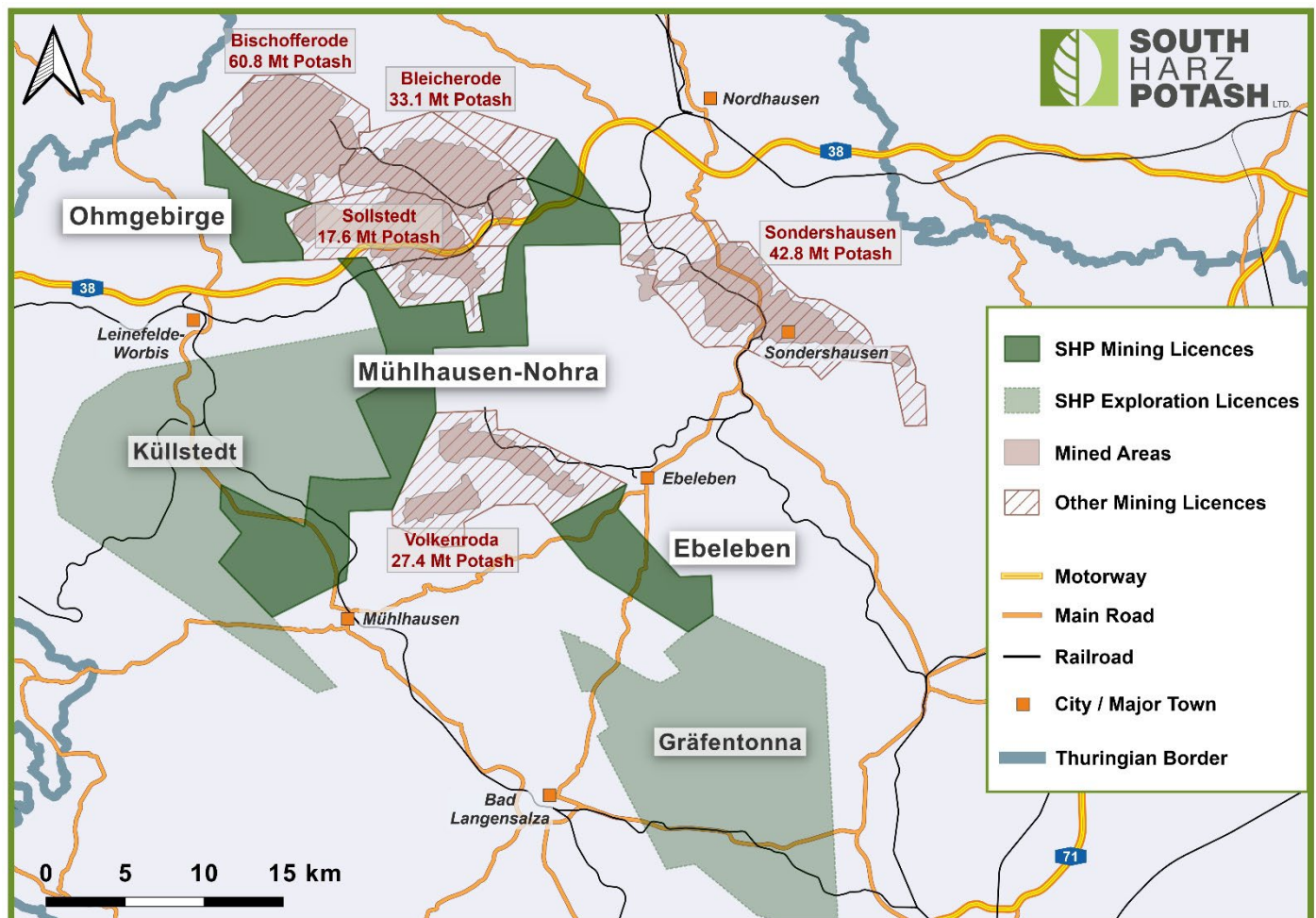
South Harz Potash (ASX: SHP) (**South Harz**) is a potash exploration and development company with its flagship project located in the South Harz Potash District region of Germany, midway between Frankfurt and Berlin.

The South Harz Project hosts a globally large-scale potash JORC (2012) Mineral Resource estimate of 5 billion tonnes at 10.6% K<sub>2</sub>O of Inferred resources and 258 million tonnes at 13.5% K<sub>2</sub>O of Indicated Resources across four wholly-owned project areas located favourably within central Europe.<sup>1</sup> 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 659km.

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

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

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



1. Refer to South Harz ASX release dated 12 July 2022 for full Mineral Resource estimate details. 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 this release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.