

**SOUTH HARZ POTASH LTD  
ACN 153 414 852**

**SUPPLEMENTARY PROSPECTUS**

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**1. IMPORTANT INFORMATION**

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements and is intended to be read with the prospectus dated 8 December 2023 (**Prospectus**) issued by South Harz Potash Ltd (ACN 153 414 852) (**Company**).

This Supplementary Prospectus is dated 15 December 2023 and was lodged with the ASIC on that date.

The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at [www.southharzpotash.com](http://www.southharzpotash.com).

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for Options under the Prospectus.

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**2. PURPOSE OF THIS DOCUMENT**

The purpose of this Supplementary Prospectus is to provide Participants with additional disclosure regarding a capital raising to up to approximately \$2.4 million (before costs) via a placement and non-renounceable rights issue (**Capital Raising**).

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**3. BACKGROUND TO CAPITAL RAISING**

The Company has received firm commitments from professional and sophisticated investors (**Investors**) for approximately \$1.25 million (before costs) through the issue of 54,134,773 Shares at an issue price of \$0.023 per Share (**Placement**). The 54,134,773 Shares is anticipated to be issued to the Investors on the 21 December 2023 under the Company's existing Listing Rule 7.1 placement capacity. The issue price of \$0.023 per Share represents an 18% discount to the closing price on 12 December 2023 (being, \$0.028) and to the Company's 10 day volume weighted average price of \$0.028.

In addition to the Placement, the Company is proposing a pro-rata non-renounceable rights issue of one (1) Share for every fifteen (15) Shares held by

Shareholders registered at 5:00pm WST on 8 January 2024 (**Record Date**) at an issue price of \$0.23 per Share to raise up to approximately \$1.193 million (before costs) (based on 778,577,402 Shares being on issue after completion of the Placement) (**Rights Issue**).

It is anticipated that the Rights issue will be extended to Shareholders with registered addresses in Australia, New Zealand or any other jurisdictions South Harz decides to extend the Rights Issue.

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 Corneilus (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 da Silva, Jubber and Corneilus.

### 3.1 Lead Manager

The Company has engaged Morgans Corporate Limited (ACN 453 414 852) (AFSL 235407) (**Morgans**) to act as lead manager and bookrunner to the Placement. Pursuant to the lead manager mandate between the Company and Morgans, Morgans will receive 6% fee on the gross proceeds raised under Placement and 3,500,000 Options (exercisable at \$0.08 on or before the date that is three (3) from the issue date).

### 3.2 Effect of the Capital Raising

The effect of the Capital Raising on the capital structure of the Company is set out below.

#### Shares

	Number
Shares currently on issue	724,877,402
Shares issued pursuant to the Placement <sup>1</sup>	54,134,773
Shares issued pursuant to the Rights Issue	51,934,145
<b>Total Shares on issue after completion of the Capital Raising</b>	<b>830,946,320</b>

#### Notes:

1. Assumes the Shares have been issued prior to the Record Date.
2. Based on 779,012,175 Shares on issue on the Record Date. Assumes that Shareholders at the Record Date take up their full entitlement offered under the Rights Issue.

The Capital Raising will increase the number of Options on issue from 121,790,762 (assuming all the Options under the Offer are issued) to 125,290,762 and will have no effect on the Offer.

## 4. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

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**5. DIRECTORS' AUTHORISATION**

The Board confirms that this Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.