

SOUTH HARZ POTASH LTD

ACN 153 414 852

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one Share for every three Shares held by those Shareholders registered at the Record Date at an issue price of \$0.01 per Share to raise up to \$2,966,894 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 9 August 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional

advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value

of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, European Union (excluding Austria), United Kingdom, Switzerland or Singapore.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.southharzpotash.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australia,

New Zealand, European Union (excluding Austria), United Kingdom, Switzerland or Singapore resident and must only access this Prospectus from within Australia, New Zealand, European Union (excluding Austria), United Kingdom, Switzerland or Singapore.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 408 447 793 during office hours or by emailing the Company at info@southharzpotash.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security

Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note

that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 408 447 793.

CORPORATE DIRECTORY

Directors

Leonard Jubber
Executive Chair

Rory Luff
Non-Executive Director

Dr Reinout Koopmans
Non-Executive Director

Company Secretary

Graeme Smith

Share Registry*

Automic Registry Pty Ltd
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: +61 1300 288 664

Email: hello@automic.com.au
Website: www.automicgroup.com.au

Registered Office

Unit 13 6-10 Douro Place
WEST PERTH WA 6005

Telephone: +61 408 447 493

Email: info@southharzpotash.com
Website: www.southharzpotash.com

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

BDO Audit Pty Ltd
Collins Square Tower 4
Level 18, 727 Collins Street
MELBOURNE VIC 3008

Lead Manager

Martin Place Securities Pty Ltd
AFSL 291787
Suite 7, 123 Clarence Street
SYDNEY NSW 2000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

TABLE OF CONTENTS

1.	KEY OFFER INFORMATION	5
2.	DETAILS OF THE OFFER	8
3.	PURPOSE AND EFFECT OF THE OFFER	14
4.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	19
5.	RISK FACTORS.....	21
6.	ADDITIONAL INFORMATION.....	26
7.	DIRECTORS' AUTHORISATION	34
8.	GLOSSARY	35

1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	Friday, 9 August 2024
Lodgement of Prospectus and Appendix 3B with ASX	Friday, 9 August 2024
Ex date	Wednesday, 14 August 2024
Record Date for determining Entitlements	Thursday, 15 August 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Tuesday, 20 August 2024
Last day to extend the Closing Date	Monday, 2 September 2024
Closing Date as at 5:00pm*	Thursday, 5 September 2024
Securities quoted on a deferred settlement basis	Friday, 6 September 2024
ASX notified of under subscriptions	Thursday, 12 September 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Thursday, 12 September 2024
Quotation of Shares issued under the Offer**	Friday, 13 September 2024

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. **Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

	Full Subscription (\$2,966,894)
Offer Price per Share	\$0.01
Entitlement Ratio (based on existing Shares)	1 for 3
Shares currently on issue	890,068,272
Shares to be issued under the Offer	296,689,424
Gross proceeds of the issue of Shares	\$2,966,894
Shares on issue Post-Offer	1,186,757,696

Notes:

1. Refer to Section 4.1 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	\$	Percentage (%) Full Subscription, Fully Diluted
Leonard Jubber	4,235,459 ¹	4,638,000 ²	1,411,819	\$14,118	0.79%
Rory Luff	33,382,323 ³	3,388,000 ⁴	11,127,441	\$111,274	3.68%
Reinout Koopmans	6,969,937 ⁵	3,721,333 ⁶	2,323,312	\$23,233	1.00%

Notes:

- Comprise of 323,539 Shares held directly by Mr Jubber and 3,911,920 Shares held by Leonard Stanley Jubber & Alexandra Maidment Jubber <Jubber Super Fund A/C>.
Subject to Shareholder approval, Mr Jubber will be issued 14,367,718 Shares at \$0.01 per Share pursuant to a placement announced on 1 August 2024 (**Placement**). These Shares will not be issued prior to the record date.
- Comprise of:
 - 1,000,000 unquoted Options exercisable at \$0.203 on or before 27 May 2025, 750,000 unquoted Options exercisable at \$0.203 on or before 27 May 2026, 311,000 unquoted Options exercisable at \$0.1606 on or before 30 March 2027, 736,000 unquoted Options exercisable at \$0.15 on or before 10 November 2027 and 1,591,000 unquoted Options exercisable at \$0.056 on or before 31 October 2028 held by Alexandra Jubber (spouse of Mr Jubber); and
 - 250,000 unquoted Options exercisable at \$0.08 on or before 24 November 2026 held by Leonard Stanley Jubber & Alexandra Maidment Jubber <Jubber Super Fund A/C>.
- Comprise of:
 - 5,155,856 Shares held indirectly by RL Holdings Pty Ltd <Rory Luff S/F A/C>;
 - 9,925,487 Shares held indirectly by RL Holdings Pty Ltd <The Airlie A/C>;
 - 18,280,980 Shares held indirectly by ITA Nominees Pty Ltd;
 - 10,000 Shares held by Rafferty Euan Luff; and
 - 10,000 Shares held by Archer Rory Luff.
 Subject to Shareholder approval, Mr Luff will be issued 17,666,763 Shares at \$0.01 per Share pursuant to the Placement. These Shares will not be issued prior to the record date.
- Comprise of 750,000 unquoted Options exercisable at \$0.203 on or before 27 May 2026, 311,000 unquoted Options exercisable at \$0.1606 on or before 30 March 2027, 736,000 unquoted Options exercisable at \$0.15 on or before 10 November 2027 and 1,591,000 unquoted Options exercisable at \$0.056 on or before 31 October 2028.
- Subject to Shareholder approval, Mr Koopmans will be issued 8,082,209 Shares at \$0.01 per Share pursuant to the Placement. These Shares will not be issued prior to the record date.
- Comprise of:
 - 750,000 unquoted Options exercisable at \$0.203 on or before 27 May 2026, 311,000 unquoted Options exercisable at \$0.1606 on or before 30 March 2027, 736,000 unquoted Options exercisable at \$0.15 on or before 10 November 2027 and 1,591,000 unquoted Options exercisable at \$0.056 on or before 31 October 2028 held by Mr Koopmans; and
 - 333,333 unquoted Options exercisable at \$0.056 on or before 31 October 2028 held by TMF International Pensions Ltd <TMFIP ATO Mirs Obo Koopmans>.

The Board recommends all Shareholders take up their Entitlements. The Directors, in addition to subscribing for 40,116,690 Shares in the Placement (subject to shareholder approval) reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.5 Details of Substantial Holders

Based on the Company's records as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
BNP Paribas Nominees Pty Ltd	140,836,738	15.82%
Citicorp Nominees Pty Limited	60,246,025	6.77%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

1.7 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.6, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.124%	3,333,333	10,000,000	0.843%
Shareholder 2	5,000,000	0.562%	1,666,666	5,000,000	0.421%
Shareholder 3	1,500,000	0.169%	500,000	1,500,000	0.126%
Shareholder 4	400,000	0.045%	133,333	400,000	0.034%
Shareholder 5	50,000	0.006%	16,666	50,000	0.004%
Total	890,068,272		296,689,424		1,186,757,696

Notes:

- This is based on a share capital of 890,068,272 Shares as at the date of the Prospectus and assumes no Options or other Shares are issued including Options currently on issue being exercised.
- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one Share for every three Shares held by Shareholders registered at the Record Date at an issue price of \$0.01 per Share. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) 269,689,424 Shares may be issued under the Offer to raise up to approximately \$2,966,984.

As at the date of this Prospectus the Company has 113,414,716 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.3 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none">• Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.• Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.3 and Section 2.4.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none">• Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.• Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.• If you apply for Shortfall Securities beyond your Entitlement you are deemed to have	Sections 2.3, 2.4 and 2.6.

Option	Key Considerations	For more information
	<p>accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back.</p> <ul style="list-style-type: none"> The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at https://investor.automic.com.au/#/home for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.3 and Section 2.4
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.01 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with

regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, European Union (excluding Austria), United Kingdom, Switzerland or Singapore.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

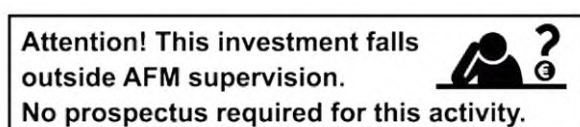
European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:



United Kingdom

Neither this document nor any other document relating to the offer of New Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling

within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the New Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, European Union (excluding Austria), United Kingdom, Switzerland or Singapore without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to approximately \$2,966,894 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer ¹	Full Subscription (\$)	%
1.	Technical and business running costs including Ohmgebirge project internal value engineering and evaluation of strategic alternatives towards a DFS. ²	2,100,000	70.8%
2.	Working capital	646,894	21.8%
3.	Expenses of the Offer ³	220,000	7.4%
	Total	2,966,894	100%

Notes:

1. The Company announced on 1 August 2024 funds raised from the Placement and Offer would also be directed towards detailed due diligence activities, ahead of the execution of binding agreements for the transformational Sollstedt Mine acquisition. These activities will be funded by the funds raised from the Placement.
2. Technical and business running costs include costs of external service providers and consultants in relation to pre-feasibility study works and subsequent evaluation activities.
3. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will, as appropriate, scale back funds available for Item 2.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,966,894 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (a) increase the number of Shares on issue from 890,068,272 as at the date of this Prospectus to 1,186,757,696 Shares.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	890,068,272
Shares offered pursuant to the Offer	296,689,424
Total Shares on issue after completion of the Offer¹	1,186,757,696

Notes:

1. Subject to Shareholder approval, 14,367,718 Shares will be issued to Mr Jubber, 17,666,763 Shares will be issued to Mr Luff and 8,082,209 Shares will be issued to Mr Koopmans pursuant to the Placement. Further details of the placement are set out in the announcement dated 1 August 2024.

Options

	Number
<u>Options currently on issue</u>	
Unquoted Options exercisable at \$0.09 on or before 23 November 2025 (ASX: SHPAA)	3,366,667
Unquoted Options exercisable at \$0.08 on or before 10 August 2026 (ASX: SHPAAC)	25,602,270
Unquoted Options exercisable at \$0.203 on or before 27 May 2025 (ASX: SHPAF)	1,000,000
Unquoted Options exercisable at \$0.1606 on or before 30 March 2027 (ASX: SHPAS)	2,382,000
Unquoted Options exercisable at \$0.08 on or before 2 December 2024 (ASX: SHPAH)	3,500,000
Unquoted Options exercisable at \$0.12 on or before 2 December 2024 (ASX: SHPAI)	3,500,000
Unquoted Options exercisable at \$0.064 on or before 21 August 2027 (ASX: SHPAAD)	1,000,000
Unquoted Options exercisable at \$0.066 on or before 1 January 2028 (ASX: SHPAAA)	3,000,000
Unquoted Options exercisable at \$0.088 on or before 1 January 2028 (ASX: SHPAAB)	3,000,000
Unquoted Options exercisable at \$0.203 on or before 27 May 2026 (ASX: SHPAK)	4,606,605
Unquoted Options exercisable at \$0.18 on or before 17 December 2024 (ASX: SHPAQ)	2,192,084
Unquoted Options exercisable at \$0.24 on or before 17 December 2024 (ASX: SHPAR)	2,192,084
Unquoted Options exercisable at \$0.1511 on or before 5 August 2026 (ASX: SHPAP)	192,069
Unquoted Options exercisable at \$0.109 on or before 31 October	2,000,000

	Number
2027 (ASX: SHPAW)	
Unquoted Options exercisable at \$0.136 on or before 31 October 2027 (ASX: SHPAX)	2,000,000
Unquoted Options exercisable at \$0.12 on or before 30 September 2027 (ASX: SHPAY)	2,818,000
Unquoted Options exercisable at \$0.15 on or before 10 November 2027 (ASX: SHPAZ)	4,623,000
Unquoted Options exercisable at \$0.123 on or before 17 October 2026 (ASX: SHPAT)	1,000,000
Unquoted Options exercisable at \$0.055 on or before 31 October 2027 (ASX: SHPAU)	2,000,000
Unquoted Options exercisable at \$0.082 on or before 31 October 2027 (ASX: SHPAV)	2,000,000
Unquoted Options exercisable at \$0.056 on or before 31 October 2028 (ASX: SHPAAE)	28,315,000
Unquoted Options exercisable at \$0.08 on or before 24 November 2026 (ASX: SHPAAF)	1,375,000
Unquoted Options exercisable at \$0.08 on or before 19 December 2026 (ASX: SHPAX)	8,249,937
Unquoted Options exercisable at \$0.08 on or before 21 December 2026 (ASX: SHPAY)	3,500,000
Total Options on issue as at the date of this Prospectus	113,414,716
Options to be issued pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	113,414,716

Notes:

1. 4,500,000 Broker Options may be issued to Martin Place pursuant to the Lead Manager Mandate if the aggregate funds raised from the Placement and the Offer are above an agreed amount. A summary of the Lead Manager Mandate is set out in Section 6.4.1.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,003,482,988 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 1,300,172,412 Shares.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2024 and the unaudited pro-forma balance sheet following completion of the Offer as at 30 June 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date, assuming the full completion of the \$1,030,000 Placement (including, for the avoidance of doubt, the assumption that the Shareholders approved and the Company has issued 40,116,690 Shares to the Directors) and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 June 2024	PROFORMA Full Subscription
	\$	\$
CURRENT ASSETS		
CURRENT ASSETS		
Cash	253,632	3,825,218
VAT and other receivables	289,828	289,828
TOTAL CURRENT ASSETS	543,460	4,115,046
NON-CURRENT ASSETS		
Property, plant and equipment	75,445	75,445
Exploration and evaluation	1,996,525	1,996,525
TOTAL NON-CURRENT ASSETS	2,071,970	2,071,970
TOTAL ASSETS	2,615,430	6,187,016
CURRENT LIABILITIES		
Trade and other payables	2,011,942	1,883,300
TOTAL CURRENT LIABILITIES	2,011,942	1,883,300
TOTAL LIABILITIES	2,011,942	1,883,300
NET ASSETS (LIABILITIES)	603,488	4,303,716
EQUITY		
Issued capital	39,385,937	43,092,831
Reserves	2,315,550	2,315,550
Accumulated losses	(41,097,999)	(41,104,665)
TOTAL EQUITY	603,488	4,303,716

Notes:

- The balance sheet as at 30 June 2024 is preliminary and unaudited.
- The Pro-forma Balance Sheet does not include any transactions post 30 June 2024 except for:
 - Director Loans of \$100,000 made in July 2024 plus accrued Non-Executive Director Fees of \$6,666 for July 2024 which are both part of the offsets against Directors' subscriptions for the Placement;

- (b) completion of the Placement (including, for the avoidance of doubt, the assumption that the Shareholders approved and the Company issued 40,116,690 Shares to the Directors);
- (c) the impact of the full subscription under the Offer; and
- (d) the estimated costs of the Placement and Offer.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon

any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

(a) Potential for dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, no other Shares are issued including Options being exercised prior to the Record Date, the number of Shares in the Company will increase from 890,068,272 currently on issue to 1,186,757,696. This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company's Shares will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.01 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Going concern risk

The Company's annual report for the year ended 30 June 2023 (Annual Report) and half year ended 31 December 2023 (Half Year Report) each include a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the Annual Report and Half Year Report, the Directors believe that the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short-term working capital requirements.

(c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration and strategic programs as the case may

be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Acquisition of neighbouring Sollstedt mine**

On 22 May 2024, the Company announced that it had signed a non-binding memorandum of understanding (**MOU**) with Deusa International GmbH (**Deusa**) to purchase the neighbouring Sollstedt mine and infrastructure (**Sollstedt**) for €40 million cash. The Company is currently in negotiations with Deusa to execute a binding purchase agreement (**Agreement**). Furthermore, the Company announced its pre-feasibility study (**PFS**) for the development of the Ohmgebirge potash deposit with a key focus on the mining method selection, process plant design, infrastructure and site selection, and metallurgical process definition which takes into consideration the Ohmgebirge and Sollstedt properties. If the Company does not acquire Sollstedt it will not be able to proceed with the development of Ohmgebirge as detailed in the PFS. Furthermore, completion of the Agreement will be conditional upon the Company achieving full project financing, and taking a positive final investment decision for development of Ohmgebirge. The details of funding alternatives considered by the Company are set out in the PFS announced on 22 May 2024.

(e) **Risks associated with operating in Germany**

The tenements located in Germany will be subject to the various political, economic and other risks and uncertainties associated with operating in that country such as economic, social or political change, changes of law, taxation, working conditions, rates of exchange, exploration licensing, environmental protection, mine safety, labour relations as well as differing Federal and State government regulations over mineral properties.

5.3 Industry specific

(a) **Exploration**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure

or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(c) Resource and reserves and exploration targets

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(d) Tenement Title

The Company has five tenements. Three of these licences are perpetual and not subject to renewal, work requirements, reporting or royalties. Two licences are for specific terms and are subject to periodic renewal and carry a work program and reporting commitments, as well as other conditions requiring compliance. The Company could lose title to or its interest in these two tenements if not renewed, if the licence conditions are not met or new obligations are imposed, or if insufficient funds are available to meet expenditure commitments as and when they arise, in line with the German legislation.

(e) Mine development

Possible future development of mining operations at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(f) Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(g) Regulatory Risk

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

While the Company believes that it will operate in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

5.4 General risks

(a) Commodity price volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company may be expended in the official currency of the European Union (Euro) and Commonwealth of Australia, and taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Euro and the Australian dollar as determined in international markets.

(b) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(c) Economic conditions and other global or national issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in

international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

(d) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(e) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

5.5 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
9 August 2024	Cleansing Statement
9 August 2024	Application for quotation of securities - SHP
1 August 2024	Investor Presentation
1 August 2024	Proposed issue of securities - SHP
1 August 2024	Proposed issue of securities - SHP
1 August 2024	A\$4 Million to Advance Ohmgebirge Potash Development
31 July 2024	Quarterly Activities/Appendix 5B Cash Flow Report
30 July 2024	Trading Halt
5 July 2024	Investor Webinar Presentation
14 June 2024	Spatial Planning Assessment Received
31 May 2024	Final Director's Interest Notice
22 May 2024	Investor Presentation
22 May 2024	Sollstedt Acquisition and Ohmgebirge PFS Investor Call

Date	Description of Announcement
22 May 2024	Appointment of Executive Chairman and CEO Transition
22 May 2024	Sollstedt Mine Purchase, Ohmgebirge PFS & Maiden Ore Reserve
16 May 2024	Chief Financial Officer Change
30 April 2024	Quarterly Activities/Appendix 5B Cash Flow Report
4 April 2024	Application for quotation of securities - SHP
28 March 2024	Application for quotation of securities - SHP
28 March 2024	Placement of Entitlement Offer Shortfall and Deusa Update
15 March 2024	Half Yearly Report and Accounts
11 March 2024	Final Director's Interest Notice
11 March 2024	Ohmgebirge Project and Corporate Update
6 March 2024	Change of Director's Interest Notice * 5
4 March 2024	Application for quotation of securities - SHP
28 February 2024	Completion of Entitlement Offer
23 February 2024	Export Access MOU Executed with Euroports
7 February 2024	Update - Proposed issue of securities - SHP
7 February 2024	Entitlement Issue - Extension of Closing Date
5 February 2024	Progress Update on Ohmgebirge PFS & Discussions with Deusa
31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
29 January 2024	Final Director's Interest Notice
29 January 2024	Notification of cessation of securities - SHP
29 January 2024	New Chair Appointment
18 January 2024	Letter to Eligible Shareholders Rights Issue
17 January 2024	Letter to Ineligible Shareholders
11 January 2024	Spatial Planning Application Achieves Important Milestone
9 January 2024	Update - Proposed issue of securities - SHP
9 January 2024	Entitlement Issue Prospectus
2 January 2024	Update - Proposed issue of securities - SHP
2 January 2024	Change to Rights Issue timetable
22 December 2023	Cleansing Statement
22 December 2023	Notification regarding unquoted securities - SHP
22 December 2023	Application for quotation of securities - SHP
20 December 2023	Notification regarding unquoted securities - SHP
19 December 2023	Update - Proposed issue of securities - SHP
15 December 2023	Supplementary SPP Options Prospectus
15 December 2023	Investor Presentation

Date	Description of Announcement
15 December 2023	Proposed issue of securities - SHP
15 December 2023	Proposed issue of securities - SHP
15 December 2023	A\$2.4 Million Capital Raising
13 December 2023	Trading Halt
8 December 2023	SPP Options - Target Market Determination
8 December 2023	SPP Options Prospectus
8 December 2023	Spatial Planning Application Submitted
7 December 2023	Ohmgebirge Pre-Feasibility Study Update
27 November 2023	Change of Director's Interest Notice x 6
27 November 2023	Cleansing Statement
27 November 2023	Notification regarding unquoted securities - SHP
27 November 2023	Application for quotation of securities - SHP
27 November 2023	Application for quotation of securities - SHP
27 November 2023	Application for quotation of securities - SHP
17 November 2023	Amended App 3Y
16 November 2023	Change of Director's Interest Notice * 6
13 November 2023	Notification regarding unquoted securities - SHP
13 November 2023	Notification regarding unquoted securities - SHP
13 November 2023	Notification of cessation of securities - SHP
13 November 2023	Proposed issue of securities - SHP
2 November 2023	MOU Executed for Existing Shaft & Infrastructure Utilisation
1 November 2023	Proposed issue of securities - SHP
1 November 2023	Proposed issue of securities - SHP
1 November 2023	Proposed issue of securities - SHP
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
26 October 2023	Results of Meeting
28 September 2023	Corporate Governance Statement
28 September 2023	Appendix 4G
28 September 2023	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://southharzpotash.com/>.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.023	10 May2024
Lowest	\$0.007	12 June 2024
Last	\$0.01	8 August 2024

6.4 Material Contracts

6.4.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Martin Place to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	<p>Under the terms of this engagement, the Company will pay Martin Place:</p> <p>(a) a management fee of 2% of total funds raised under the Prospectus (plus GST);</p> <p>(b) a 4% capital raising fee on funds raised under the Prospectus (excluding funds from directors, subscriptions from existing creditors or introduced by existing Shareholders). Martin Place will be responsible for paying all capital raising fees that Martin Place agrees with any other financial service licensees; and</p> <p>(c) any reasonable disbursements and out of pocket expenses, which will be agreed upon between Martin Place and the Company prior to their incursion.</p>
Broker Options	<p>The Company will issue Martin Place 4,500,000 Options (exercisable at \$0.02 on or before 30 June 2027) (Broker Options) if the Placement (announced on 1 August 2024) and Rights Offer together raise a minimum of A\$2.5 million (excluding subscriptions from Directors and existing creditors). The Broker Options will be issued out of the Company's existing ASX Listing Rule 7.1 placement capacity.</p>
Corporate Advisory Fee	<p>The Company will pay Martin Place a corporate advisory fee of \$3,000 per month for a period of six months from 1 August 2024.</p>
Termination Events	<p>Martin Place is engaged until 31 October 2024 unless terminated earlier by either party in accordance with the terms and conditions of the engagement.</p> <p>Standard termination for default clauses also apply to the engagement.</p>
Right of First Refusal	<p>(a) From the completion of the Offer until 31 December 2024, if the Company determines to effect any fundraising activities, the Company must first offer Martin Place the right of first refusal to undertake such role on commercial and market-standard terms. The right of first refusal must be accepted by Martin Place within 7 days of it being advised in writing of the proposed fundraising activities.</p>

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| | <p>(b) Subject to paragraph (a) or receipt of Martin Place's consent, the Company may appoint a third-party adviser for such fundraising activities (provided the terms are no more favourable to the third party than the terms offered to Martin Place). Martin Place will not unreasonably withhold consent in instances where the Company has offered Martin Place the ability to co-lead a fundraising activity alongside another institution or firm that is adding strategic value.</p> |
|--|--|

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	Proposed Remuneration for Current Financial Year (30 June 2024)	Remuneration for Previous Financial Year (30 June 2023)
Leonard Jubber	\$113,677 ¹	\$73,298 ⁴
Reinout Koopmans	\$66,860 ²	\$61,210 ⁵
Rory Luff	\$66,860 ³	\$61,210 ⁶

Notes:

- Comprising \$46,317 fixed Non-Executive Director salary until 22 May 2024, an accrual for Executive Chairman fixed salary of \$38,281 from 22 May 2024 until 30 June 2024 and \$29,079 of share based payments. On 22 May 2024, Mr Jubber was appointed Executive Chairman. The terms of the appointment for Mr Jubber in the role of Executive Chairman are being finalised and will include certain short-term and long-term incentives. The material terms of the executive service agreement will be announced by the Company in accordance with ASX Listing Rule 3.16.4 when they are finalised and are expected to include the following components upon finalisation:
 - base salary of \$350,000 per annum including superannuation;
 - subject to Shareholder approval, in relation to a project incentive plan, the issue of 19,250,000 performance rights (representing 55% of Mr Jubber's base salary at an issue price of \$0.01 per performance right), with individual vesting conditions including: (i) the Company securing funding and committing to proceed with a definitive feasibility study (**DFS**) for the Ohmgebirge project; (ii) the Company completing and releasing a DFS that leads to a commitment to pursue project financing for the Ohmgebirge project; and (iii) the Company securing project financing, requisite regulatory approvals and making a positive final investment decision to develop the Ohmgebirge project; and
 - subject to Shareholder approval, in relation to a long term incentive plan, an annual grant of performance rights with amounts and vesting conditions to be agreed between Mr Jubber and the Company.
- Comprising \$40,000 fixed salary and \$26,860 share based payments.
- Comprising \$40,000 fixed salary and \$26,860 share based payments.
- Comprising \$40,000 fixed salary and \$33,298 share based payments.
- Comprising \$40,000 fixed salary and \$21,210 share based payments.
- Comprising \$40,000 fixed salary and \$21,210 share based payments.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(d) the formation or promotion of the Company; or

(e) the Offer.

Martin Place has acted as the lead manager of the Offer. The Company estimates it will pay Martin Place \$140,000 (excluding GST and disbursements) for these services. The Company also expects to pay Martin Place a fee of \$44,000 (excluding GST and disbursements) for lead manager services related to the Placement announced on 1 August 2024. During the 24 months preceding lodgement of this Prospectus with the ASIC, Martin Place Securities Pty Ltd has not received any other fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$97,810 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Martin Place Securities Pty Ltd has given its written consent to being named as the lead manager to the Offer in this Prospectus.

Martin Place Securities Pty Ltd (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 1,410,000 Shares. Martin Place Securities Pty Ltd has indicated that it is its current intention to subscribe for its full Entitlement under the Offer in respect of all of the Shares in which it has a relevant interest. Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$220,000(excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	15,000
Lead Manager ¹	140,000

Legal fees	20,000
Printing and distribution	19,000
Miscellaneous	22,794
Total	220,000

Notes:

1. Refer to Section 6.4.1 for further detail.

7. DIRECTORS' AUTHORISATION

This 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 Prospectus with the ASIC.

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means South Harz Potash Ltd (ACN 153 414 852).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY@.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Lead Manager means Martin Place.

Martin Place means Martin Place Securities Pty Ltd (ACN 159 611 060) (AFSL 291787).

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement has the meaning given in Section 1.4.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

WST means Western Standard Time as observed in Perth, Western Australia.