

20 August 2024

Dear Shareholders,

It is my pleasure to write to you directly following my appointment as Executive Chairman of South Harz Potash Limited (**South Harz**).

It has been a significant few months for South Harz. On 22 May 2024, we reported that we had agreed key non-binding terms for the future acquisition of the neighbouring Sollstedt mine in Thuringia, Germany. This has delivered a transformational development pathway for our flagship Ohmgebirge Potash Development (**Ohmgebirge**), which enables us to capitalise on the regional mining and infrastructure context in which the project is located. Multiple existing operating shafts on the Sollstedt tenure facilitate underground access and ventilation for mining of Ohmgebirge, significantly reducing pre-production capital expenditure relative to greenfield alternatives. The brownfield development of Ohmgebirge also delivers an approximate 50% reduction in surface footprint, critically including eliminating the need for interim surface waste piles.

We were also delighted to complete and release the Ohmgebirge Pre-Feasibility Study (**PFS**) on 22 May 2024. This study incorporates the core brownfield development and operational features which would be facilitated by the targeted Sollstedt acquisition. The PFS demonstrates that it is possible to develop and operate a world-class potash mine in Germany, in the heart of Europe, profitably and responsibly in the modern era. It is important to note that the Sollstedt acquisition is dependent upon a number of factors including the completion of satisfactory due diligence, the consents of relevant Government authorities, the execution of binding documents which are currently under negotiation with its current owner, Deusa International GmbH (**Deusa**), and South Harz achieving full project financing and making a final investment decision for the development of Ohmgebirge. If South Harz is unable to acquire Sollstedt it will not be able to proceed with the development of Ohmgebirge as detailed in the PFS.

The Ohmgebirge PFS confirms that there is material further upside potential from a range of additional synergy opportunities delivered by the Sollstedt transaction, but these have not yet been evaluated or incorporated into our development and operational planning. Included in these opportunities is the potential mining of substantial residual potash within the Sollstedt mine, proximate to existing underground infrastructure, which could deliver life of mine extension and/or increased output rates for Ohmgebirge in early years.

In June 2024, we were granted the Spatial Planning Assessment for Ohmgebirge. The published decision of the regulator (TLVwA) confirms the compatibility of all submitted Ohmgebirge site options with regional planning requirements, while also expressing a preference for the use of the Bernterode-Shaft and, for processing facilities and logistics, the designated industrial area at Leinefelde. The decision provides a strong base for the future development of Ohmgebirge and speaks volumes to the constructiveness of the entire Thuringia region

to new critical minerals development. It also validates the world-class environmental and sustainability features that we have incorporated into our Ohmgebirge development and operational planning.

As first announced in March 2024, South Harz has now entered a lower cost, internal project optimisation phase following completion of the Ohmgebirge PFS. This next phase will also provide the opportunity for value engineering processes to be undertaken on Ohmgebirge, as well as the evaluation of various strategic alternatives towards long-term project advancement and financing.

To progress these activities, we are currently in the process of raising up to up to approximately \$2,966,894 (before costs) in new equity funds from our 1-for-3 pro-rata non-renounceable entitlement offer to eligible shareholders at the issue price of A\$0.01 per share (**Entitlement Offer**). Eligible shareholders may also apply (in addition to and in excess of their entitlement) for Entitlement Offer shares not applied for by other eligible shareholders (**Shortfall Offer**).

The prospectus pertaining to the Entitlement Offer and Shortfall Offer (**Prospectus**) has been provided to ASX and is available to view on the ASX website and the South Harz website at <https://southharzpotash.com/investors/asx-announcements>. Further details regarding how eligible shareholders can participate in the Entitlement Offer and Shortfall Offer are set out in the Prospectus and in the enclosed access letter.

I encourage all eligible shareholders to review the Prospectus and consider their participation in the Entitlement Offer and Shortfall Offer.

I believe the future for South Harz is bright and I look forward to keeping you updated over the journey ahead.

Yours faithfully,



Len Jubber  
Executive Chairman  
**South Harz Potash Limited**

#### Elect to receive communications electronically

You have received this letter by post, as you have not provided your email address or elected to receive all communications electronically. We encourage you to elect to receive shareholder communications electronically, to update your communication preference scan the QR code to visit <https://investor.automic.com.au>



**Privacy Collection Statement:** Automic Pty Ltd (ACN 152 260 814) trading as Automic Group (“Automic”, “we”) collects personal information about you (such as your name, address, contact details, and details of the securities you hold) as permitted by the Corporations Act (Cth) 2001 and other legislation. Certain information must be included in the public register of the entity in which you hold securities. Primarily, your personal information is used by Automic to provide a service to you. If we do not collect this information we may be unable to provide this service. We may disclose the information collected to related bodies corporate and to third parties such as print and mail service providers, to regulatory bodies or as otherwise required or permitted by law. We do not generally disclose personal information to overseas recipients. You can find more information about how we collect, use, store and manage your personal information in our privacy policy at [www.automic.com.au](http://www.automic.com.au).

20 August 2024

Dear Shareholder,

**NOTICE TO ELIGIBLE SHAREHOLDERS OF SOUTH HARZ POTASH LIMITED PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE**

On 9 August 2024, South Harz Potash Limited (**ASX: SHP**) announced a pro-rata non-renounceable entitlement issue of one share for every three shares held by those shareholders registered at the record date, 7:00pm (AEST) Thursday, 15 August 2024 (**Record Date**) at an issue price of \$0.01 per share to raise up to approximately \$2,966,894 (before costs) (**Entitlement Offer**).

The Prospectus pertaining to the Entitlement Offer (**Prospectus**) has been given to ASX and is available to view on the ASX website and the South Harz Potash Limited website at <https://southharzpotash.com/investors/asx-announcements>. Further details regarding the Entitlement Offer have also been announced to the ASX and are available on ASX's website.

South Harz Potash Limited will not be printing/dispatching hard copies of the Prospectus or Entitlement and Acceptance Forms. Instead, an electronic copy of the Prospectus and your Entitlement and Acceptance Form is available and accessible by you (using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) from your latest Holding Statement, and your postcode) at the following link: <https://investor.automic.com.au>.

Shareholders should read the Prospectus in full prior to making an application under the Entitlement Offer. Your application under the Entitlement Offer must be made by making payment in accordance with the personalised payment instructions on your Entitlement and Acceptance Form which is available through Automic's online Investor Portal.

**You do not need to return your Entitlement and Acceptance Form.**

**How to Access the Entitlement Offer:**

1. **ONLINE** - The Entitlement Offer Prospectus and personalised Acceptance Form can be accessed via: <https://investor.automic.com.au/#/home>.
2. **PAPER** - Request a paper copy of the Prospectus and a personalised Acceptance Form by contacting the Company's Share Registry, Automic on 1300 288 664 (within Australia) or: +61 2 9698 5414 (outside Australia).

**CONTACT DETAILS**

**W:** southharzpotash.com

**E:** [info@southharzpotash.com](mailto:info@southharzpotash.com)

**P:** +61 (0) 408 447 493

**ABN:** 64 153 414 852

**ASX Code:** SHP

**Frankfurt Code:** A2DWXX

**890.1 M** Ordinary Shares

**113.4 M** Unlisted Options

To download your personalised Acceptance Form, you have the following 3 choices:

<p><b>I already have an online account with the Automic Share registry</b></p>	<p><a href="https://investor.automic.com.au">https://investor.automic.com.au</a></p> <p>Select: “Existing Users Sign In”</p> <p>Once you have successfully signed in, click on “Documents and Statements”.</p> <p>Download the Prospectus and Entitlement and Acceptance Form. Submit your payment using the payment details provided on your Entitlement and Acceptance Form.</p> <p><b>Do not return your Entitlement and Acceptance Form.</b></p>
<p><b>I don’t have an online account with Automic – but wish to register for one</b></p>	<p><a href="https://investor.automic.com.au/#/signup">https://investor.automic.com.au/#/signup</a></p> <p>Select: South Harz Potash Limited from the dropdown list in the ISSUER field.</p> <p>Enter your holder number SRN/HIN (from your latest Holding Statement). Enter Postcode (Australia only) or Country of Residence (if not Australia). Tick box “I am not a robot”, then Next. Complete prompts on the next page to create your account.</p> <p>Once you have successfully signed in, click on “Documents and Statements”.</p> <p>Download the Prospectus and Entitlement and Acceptance Form. Submit your payment using the payment details provided on your Entitlement and Acceptance Form.</p> <p><b>Do not return your Entitlement and Acceptance Form.</b></p>
<p><b>I don’t have an online account with Automic – but want to use Automic for this Offer only</b></p>	<p><a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a></p> <p>Select South Harz Potash Limited from the dropdown list in the Company name or code field.</p> <p>Enter your Holder Number (HIN /SRN) (from your latest Holding Statement). Enter your Postcode (Australia only) or Country of Residence (if not Australia). Tick box “I am not a robot”, then Access.</p> <p>Once you have successfully signed in, click on “Documents and Statements”.</p> <p>Download the Prospectus and Entitlement and Acceptance Form. Submit your payment using the payment details provided on your Entitlement and Acceptance Form.</p> <p><b>Do not return your Entitlement and Acceptance Form.</b></p>

If you are unable to access <https://investor.automic.com.au> online, you can obtain a copy of the terms and conditions and your acceptance form – initially by calling Company’s Share Registry Automic on 1300 288 664 or emailing [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au) and asking them to mail a paper copy of the terms and conditions and your acceptance form to you free of charge. After your request has been acknowledged by Automic you will need to provide your SRN or HIN and postcode to complete this request. To accept an Offer using these paper copy documents, you will still need to make payment via BPay® or via Electronic Funds Transfer (EFT). For New Zealand shareholders please follow the instructions on your acceptance form to make payment via Electronic Funds Transfer (EFT).

## 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

*\*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.*

## The Entitlement Offer closes at 5:00 pm (AWST time) on Thursday, 5 September 2024.

These dates are indicative only and subject to change. South Harz Potash Limited reserves the right to change any date including to extend the closing date of the Entitlement Offer, to close the Entitlement Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Entitlement Offer without notice. Any extension of the closing date will have a consequential effect on the issue date of new shares.

If you have any query or question about the Entitlement Offer, please contact Graeme Smith Company Secretary, or any other registry related matters contact South Harz Potash Limited's share registry Automic as follows:

### Automic Group

Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30 am and 5:00pm (AEST time) Monday to Friday.

Yours faithfully,



Len Jubber  
Executive Chairman  
**South Harz Potash Limited**

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