

CORPORATE UPDATE

South Harz Potash Limited (ASX:SHP) (**South Harz** or the **Company**) is pleased to provide an update on its corporate and ongoing activities in relation to its 100%-owned Ohmgebirge Potash Development (**Ohmgebirge**) in Thuringia, Germany.

Highlights

- A\$140,000 in new equity funds raised through a second placement of Shortfall Shares. Shortfall placement period now closed.
- Director placement completed following shareholder approval at AGM, resulting in the issue of 45,116,690 new Director Placement Shares
- Annual General Meeting (**AGM**) held on 28 November 2024, all resolutions approved by shareholders.

South Harz Executive Chairman, Len Jubber, commented,

"I express my gratitude to existing shareholders for their ongoing support and welcome new shareholders to the South Harz register. It is very pleasing to see the growing shareholder base in Europe / UK, and particularly Germany, now comprising almost approximately 30% of the shares on issue. This consistent upward trend reflects the growing support for a resurgence in mining in Germany to ensure long term security of supply of critical minerals.

Directors and management participated significantly in the raising and now hold approximately 10% of the shares on issue.

We continue to focus on managing our costs, progressing the Sollstedt agreement, conducting inhouse project optimisation activities and evaluating project development funding pathways. The latter includes potential strategic partnerships."

Capital Raising Activities

South Harz has undertaken a second placement of 14,000,000 Shortfall Shares at the price of A\$0.01 per share, representing A\$140,000. The Shortfall Shares were issued on 11 December 2024 pursuant to Section 2.6 of the Entitlement Offer Prospectus (refer ASX announcement dated 9 August 2024, *Rights Issue Prospectus*) (**Prospectus**) and follows its recently completed Entitlement Offer (refer ASX announcement dated 23 September 2024, *Completion of Entitlement Offer*) and initial placement of Shortfall Shares (refer ASX announcement dated 20 November 2024, *Update on Ohmgebirge and Corporate Activities*).

In accordance with Section 2.6 of the Prospectus, the Shortfall Offer closed on 13 December 2024, being three months following the Closing Date of the Entitlement Offer.

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The Company is also pleased to announce that, following shareholder approval at the AGM 45,116,690 new shares were issued at the price of A\$0.01 per share to the Directors, or their related entities, representing new equity of A\$451,167 (**Director Placement Shares**). These shares were issued on 16 December 2024, with the allocation of shares summarised as follows:

- i. 19,367,718 Placement Shares to Len Jubber's related entity,
- ii. 17,666,763 Placement Shares to Rory Luff's related entities, and
- iii. 8,082,209 Placement Shares to Reinout Koopmans

As consideration for the Director Placement Shares the Company has received cash proceeds of A\$257,359 and has offset A\$193,808 of creditor balances owing to the Directors.

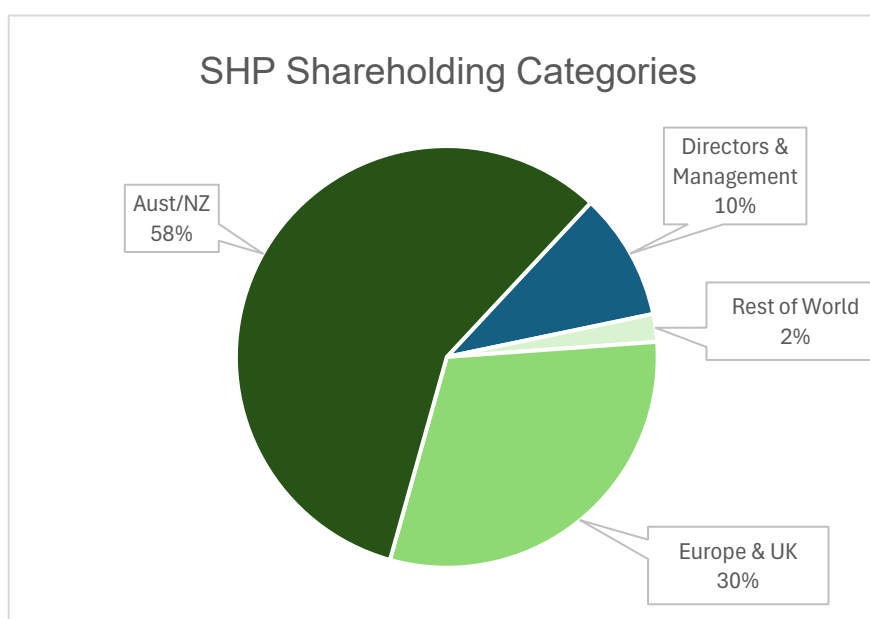
For further detail on the issue of shares to Directors (or their related entities), please refer to ASX announcement dated 1 August 2024, *New Equity of up to A\$4 Million to Advance Brownfield Ohmgebirge Potash Development* and ASX announcement dated 8 October 2024, *New Equity Commitments of A\$450,000 Received*.

In aggregate, new equity (issued or committed) now totals approximately A\$2.228 million (before costs). This comprises new equity from the recent placement (including equity from Directors referred to above), (refer ASX announcement dated 1 August 2024, *New Equity of up to A\$4 Million to Advance Brownfield Ohmgebirge Potash Development*), completed Entitlement Offer (refer ASX announcement dated 23 September 2024, *Completion of Entitlement Offer*), and further placements of shares as previously disclosed (refer ASX announcement dated 8 October 2024, *New Equity Commitments of A\$450,000 Received*) and as set out above.

As previously disclosed, Martin Place Group Pty Ltd (ACN 681 213 294) (AFSL 291787) acted as lead manager to the Placement, Entitlement Offer and Shortfall Offer.

Capital Structure

Following the issue of shares from the various capital raising activities, South Harz is pleased to provide a high-level summary chart from its share register following the issue of the Director Placement Shares:



Annual General Meeting

The Company's AGM was held on 28 November 2024 in the Perth offices of its auditors, BDO. All resolutions put to shareholders were passed on a poll, by the requisite majorities. Full details were released in the ASX announcement dated 28 November 2024, *Results of Meeting*.

Issue of Performance Rights

On 17 December 2024, the Company issued 39,500,000 performance rights to Directors (as approved by shareholders at the AGM, refer full details at ASX announcement dated 23 October 2024, *Notice of Annual General Meeting/Proxy Form*), and pursuant to the new Employee Incentive Securities Plan approved by the shareholders at the AGM, issued 9,000,000 performance rights to a senior executive employee as part of the company's long term incentive plan.

Ongoing activities

In line with South Harz's streamlined low-cost optimisation setting in current global potash markets, the current focus of corporate and operational activities remains:

- Completion of detailed due diligence and negotiation of definitive documentation for the purchase of Sollstedt;
- Advancement of preparatory Stage 2 permitting activities (Framework Operating Plan) for the Ohmgebirge Potash Development following grant of the Spatial Planning Assessment (refer ASX announcement dated 14 June 2024, *Spatial Planning Assessment Received – Flagship Ohmgebirge Potash Development Receives Stage 1 Permitting Greenlight*);
- Qualification assessment for potential German R&D tax incentive rebates (supplementary working capital) and complementary funding opportunities such as freight rail access and clean energy utilisation / critical minerals grants; and
- Evaluation of long-term Definitive Feasibility Study design and development funding pathways, including potential strategic partnership.

This announcement was authorised for release by the South Harz Board of Directors

Investor and media enquiries

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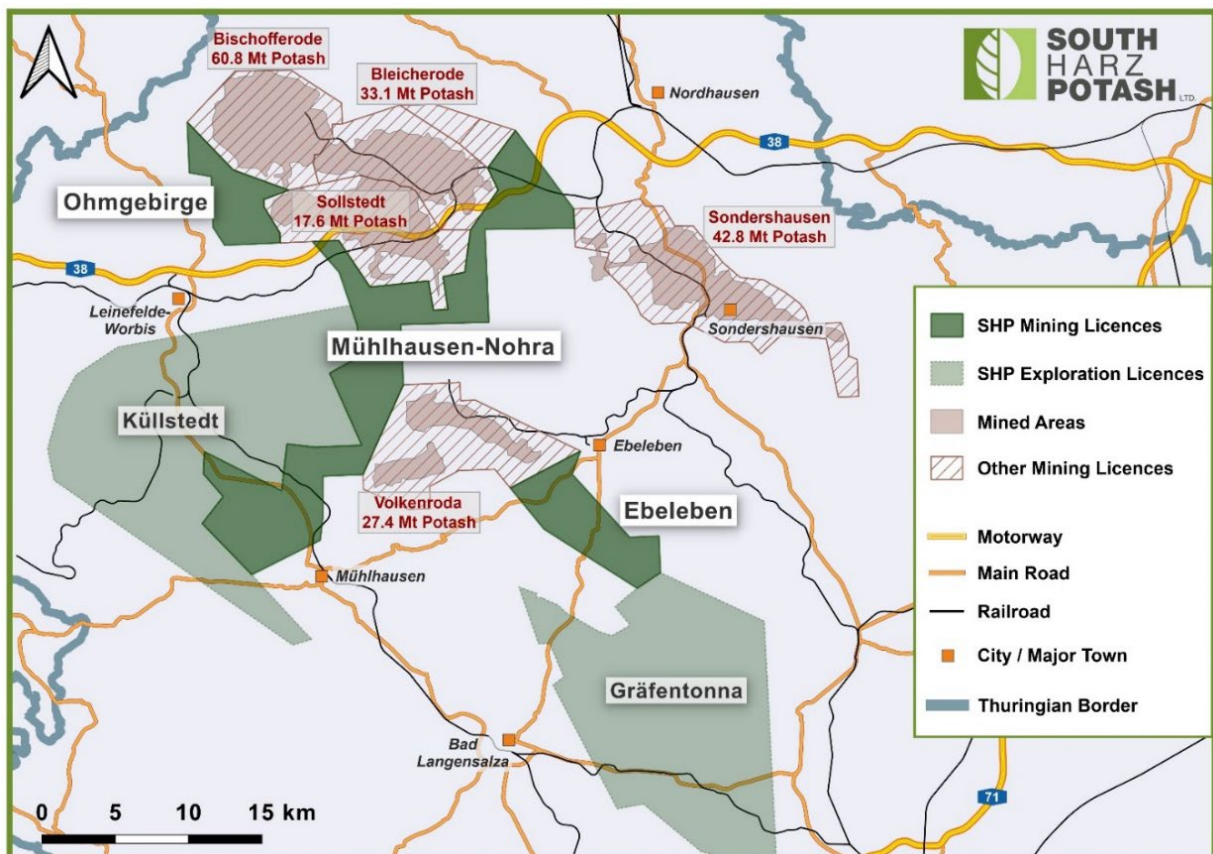
About South Harz: Responsible potash mine development in the heart of the European market

South Harz is a potash exploration and development company with its flagship project located in the historic South Harz Potash District region of Germany, midway between Frankfurt and Berlin.

The South Harz Project hosts a globally large-scale potash JORC (2012) Mineral Resource estimate of 258 million tonnes at 13.2% K₂O of Indicated Resources and 5.1 billion tonnes at 10.6% K₂O of Inferred Resources across four wholly owned project areas located favourably within central Europe. This comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben and Mühlhausen-Nohra, and two potash exploration licences, Küllstedt and Gräfentonna.

The flagship Ohmgebirge Development (1.0 Mtpa potash capacity) was the subject of a positive Pre-Feasibility Study (PFS) and maiden Ore Reserve declaration in May 2024. As part of that process, South Harz also agreed non-binding key terms for the purchase of the neighbouring Sollstedt mine property, which includes extensive underground and surface infrastructure (including multiple operating shafts). The envisaged brownfield development of Ohmgebirge (as facilitated by the Sollstedt mine) delivers significantly lower pre-production capital expenditure and surface footprint (relative to the greenfield alternatives).

South Harz also received the Spatial Planning Assessment for Ohmgebirge in June 2024, a key step in the permitting process which confirmed the compatibility of all submitted site options with regional planning requirements. www.southharzpotash.com



For full Mineral Resource, Ore Reserve, Ohmgebirge PFS and Sollstedt acquisition key terms refer to South Harz ASX announcements *Landmark Sollstedt Mine Purchase*, *Ohmgebirge Pre-Feasibility Study and Maiden Ore Reserve* dated 22 May 2024, and *Landmark Resource Upgrade at Ohmgebirge* dated 12 July 2022. South Harz is not aware of any new information or data that materially affects the information included in these releases and confirms that all material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.