

ASX ANNOUNCEMENT

16 November 2022

**A\$3M EQUITY RAISED FOR
OHMGEBIRGE ADVANCEMENT**

- Placement raises A\$3 million gross proceeds at an issue price of A\$0.045 per share (a 5.3% discount to last close).
- Proceeds will be used for near-term value-adding initiatives as part of the Ohmgebirge Pre-Feasibility Study (**PFS**) workstreams, with targeted completion in Q4 CY23.
- Expected near-term milestones include site selection decision, bench metallurgical test results from K-UTEC, bulk sample extraction for pilot plant tests and key PFS consultant appointments.

South Harz Potash Limited (ASX: SHP) (**South Harz** or the **Company**) is pleased to announce that it has received firm commitments for a placement of new ordinary shares to a range of new and existing sophisticated and institutional investors, including directors and management, to raise A\$3 million (before costs) (**Placement**). South Harz Directors and management are subscribing for A\$625,000 of the Placement.

The equity raising bolsters South Harz's capital position, placing the Company in a strong position from which to conduct strategic partnership discussions for long term investment, JV partnerships, royalty funding and offtake streams. The Company's Erfurt headquarters now has the core staff for an owner's team undertaking early stage PFS desktop workstreams. Raised funds are to be applied directly to the delivery of the Ohmgebirge project's value-adding initiatives. Given the absence of further exploratory drilling and ease of access to a bulk sample, future spend will mainly comprise of consultants' fees and project permitting.

Recently appointed South Harz CEO and Managing Director, Luis da Silva, has a near term focus on driving optimisation of the Ohmgebirge advancement and development strategy to ensure optimal study and project delivery. Ohmgebirge PFS activities are progressing in-line with the overall project schedule, with targeted completion in Q4 CY23.

The Company expects to achieve several important milestones in the near term. Key site selection determinations are culminating, with a selection decision to be advised in accordance with our permitting timetable. Results of the K-UTEC bench metallurgical test results are due this quarter and are expected to confirm scoping study assumptions and inform a processing route with associated recoveries. In the next month, bulk ore samples are set to be extracted from the boundary area of our neighbour's site and undergo pilot plant testing at K-UTEC. Following completion of the detailed CEO-led workplan and PFS optimisation activities, South Harz also expects to make several near-term key study consultant appointments.

Commenting on the capital raise, South Harz CEO and Managing Director, Luis da Silva, said:

"I would like to thank both new and existing shareholders for their strong support in this capital raising. This support affirms our view that the South Harz Project is a world-class opportunity and compelling investment proposition. The additional funds are expected to provide additional working capital and ensures we are in a stronger position as we seek potential strategic partners."

“Our newly strengthened board and management team are focussed on shaping the future of the European potash market. We are committed to advancing Ohmgebirge to unlock the full potential for what is a globally significant asset base, with low projected operating costs in a G7 jurisdiction in the heart of Europe.

“My immediate focus is leading the South Harz team through the detailed PFS work plan finalisation and delivery optimisation process to ensure we deliver our study and project outcomes cost effectively. Early phase Ohmgebirge PFS workstreams are advancing on schedule and we remain on track for PFS completion by end Q4 2023.

“I look forward to updating shareholders regularly as we progress through key project development and strategic milestones.”

Placement Details

The Placement and, subject to shareholder approval, issue to Directors, will result in the issue of 66,666,666 new fully paid ordinary shares at an issue price of A\$0.045 per share to raise a total of A\$3 million in new equity proceeds (before costs). The Placement shares are to be issued under South Harz’s existing placement capacity pursuant to ASX Listing Rule 7.1.

The Placement issue price represents an approximate 5.3% discount to the market close on Friday 11th November.

The Placement comprises the issue of 52,777,778 shares at A\$0.045 per share raising A\$2,375,000 and the balance of 13,888,888 shares raising A\$625,000 to be issued to South Harz Directors (or their respective nominees). The issue of shares to Directors is subject to shareholder approval at a shareholder general meeting to be called as soon as practicable.

The Placement shares are expected to be issued on or around 24 November 2022.

Morgans Corporate Limited acted as sole Lead Manager to the Placement. The Company has the right to request Morgans Corporate Limited take part of their fee (up to 666,666 shares) in equity.

This announcement has been approved by the Board of Directors.

On behalf of South Harz Potash Limited,
Luis da Silva, CEO and Managing Director

Investor & Media Enquiries

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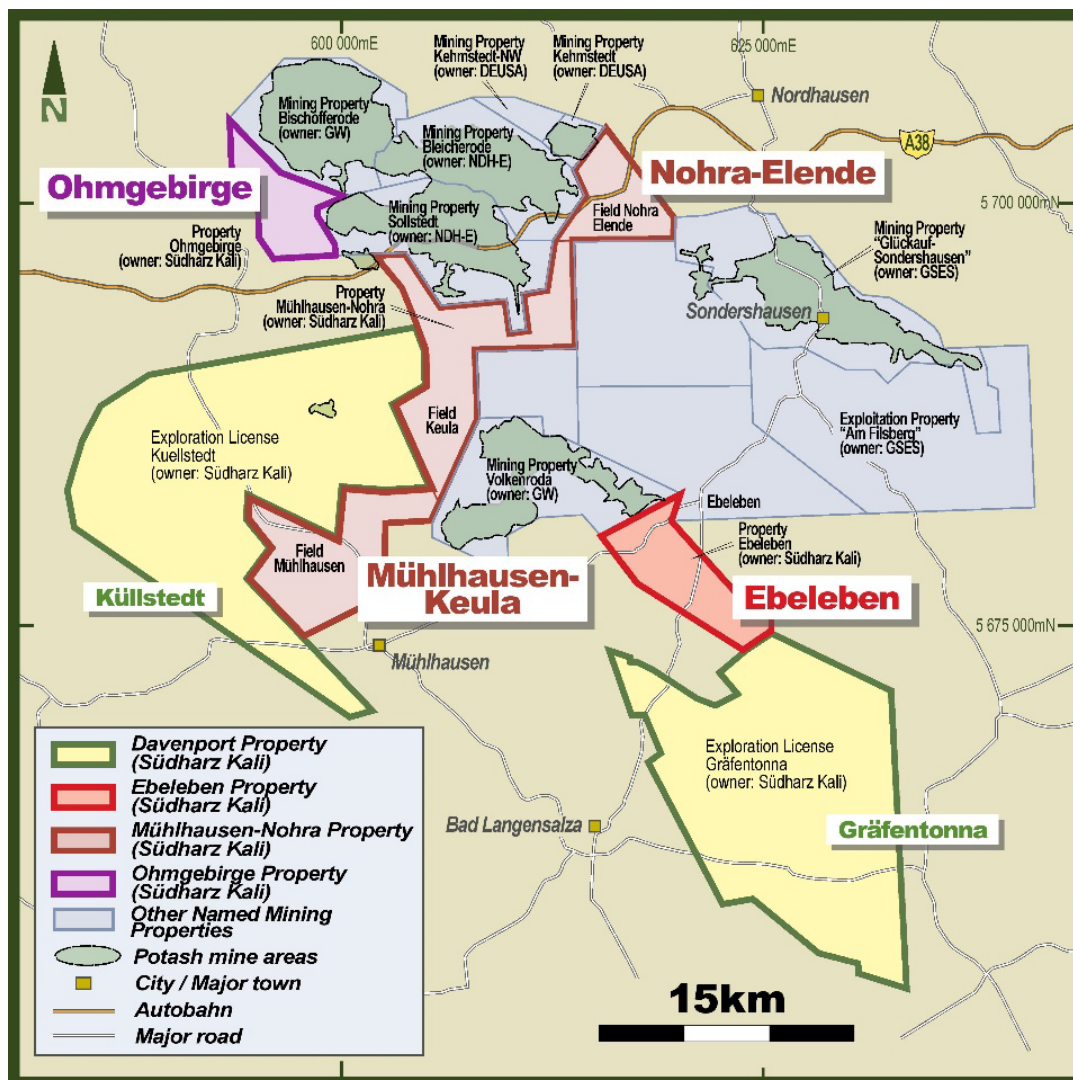
About South Harz

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

The South Harz Project hosts a globally large-scale potash JORC (2012) Mineral Resource estimate of 5 billion tonnes at 10.6% K₂O of Inferred resources and 258 million tonnes at 13.5% K₂O of Indicated Resources across four wholly-owned project areas located favourably within central Europe¹. This comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben and Mühlhausen-Nohra, and two potash exploration licences, Küllstedt and Gräfen-tonna, covering a total area of approximately 659km². With strong established infrastructure proximate to the key European market, the South Harz Project is well positioned to enable rapid economic development across multiple deposits.

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

www.southharzpotash.com



1. Refer to South Harz ASX release dated 12 July 2022 for full Mineral Resource estimate details. In accordance with ASX Listing Rule 5.23, the Company is not aware of any new information or data that materially affects the information included in this release.