

18 January 2024

Dear Shareholder

SOUTH HARZ POTASH LIMITED – PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced on 15 December 2023 and 9 January 2024, South Harz Potash Limited (ACN 153 414 852) (**Company**) is undertaking a non-renounceable entitlement issue of one (1) fully paid ordinary share in the capital of the Company (**Share**) for every fifteen (15) Shares at an issue price of \$0.023 per Share to raise up to \$1,196,152 (based on the number of Shares on issue as at the date of the Prospectus) (**Offer**).

This Offer is partially underwritten by Luis da Silva (Chief Executive Officer), Leonard Jubber (Non-Executive Director) and Alexandra Jubber (Mr Jubber's spouse) ATF Jubber Super Fund A/C and Suitangi Pty Ltd (an entity controlled by Mr Seamus Cornelius (Non-Executive Director)) (together, the **Underwriters**). There are no fees payable to the Underwriters.

The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 9 January 2024.

The Company intends to apply the funds raised from the Offer (less expenses of the Offer) to completion of the PFS on the Company's flagship Ohmgebirge potash development targeting inclusion of value engineering for the optimised brownfield scenario, complete commercial terms for the existing brownfields infrastructure, consultation for the spatial permitting process, continue engagement with strategic parties and working capital.

Following completion of the Offer, the Company will have issued approximately 52,006,609 Shares resulting in total Shares on issue of 832,105,747 (assuming full subscription of the Offer occurs).

We are writing to you as an eligible shareholder on the Offer's record date and entitled to participate in the Offer (**Eligible Shareholders**).

To access your personalised Entitlement & Acceptance Form and Prospectus electronically, please follow the below steps:

1. **ONLINE** - The Prospectus and your personalised Entitlement and Acceptance Form (including the BPAY® payment details) can be accessed via the following website:
<https://investor.automic.com.au/#/home>
2. **PAPER** – Request a paper copy of the Prospectus and your personalised Entitlement and Acceptance Form by contacting the Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8:30am and 7:00pm (AEDT) throughout the offer period.

The Entitlement Offer closes at 5:00pm (WST) on Monday, 12 February 2024.

Participation in the Entitlement Offer

The number of securities for which you are entitled to apply for under the Offer (**Entitlement**) is shown on your personalised Entitlement and Acceptance Form, which is enclosed with this letter.

Fractional entitlements will be rounded down to the nearest whole number.

CONTACT DETAILS

W: southharzpotash.com

E: info@southharzpotash.com

P: +61 (0) 408 447 493

ABN: 64 153 414 852

ASX Code: SHP

Frankfurt Code: A2DWXX

780.1M Ordinary Shares

125.3M Unlisted Options

Any Entitlement not taken up pursuant to the Offer will form the shortfall (Shortfall Offer). Eligible Shareholders who wish to subscribe for additional securities above their Entitlement are invited to apply for shortfall by making payment for such shortfall in accordance with section 2.6 of the Prospectus. The directors in conjunction with the Underwriter reserve the right to issue shortfall at their absolute discretion.

Entitlement and Acceptance Form Applications

Your acceptance of securities under the Offer must be made following the instructions on your personalised Entitlement and Acceptance Form (which is enclosed with the prospectus) and paying the application monies electronically by BPay or EFT in accordance with the instructions of the Entitlement and Acceptance Form.

If you would like to access your personalised Entitlement and Acceptance Form online, please follow the instructions set out in section 2.2 of the Prospectus.

Actions required of Eligible Shareholders

There are a number of actions you may take in relation to the Offer, which are outlined in the Entitlement and Acceptance Form and are set out below:

1. accept your full Entitlement;
 2. accept your full Entitlement and apply for additional securities as part of the Shortfall Offer;
 3. take up a proportion of your Entitlement and allow the balance to lapse; or
 4. if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.
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Key dates for the Offer

Event	Date
Lodgement of Prospectus with the ASIC	Tuesday, 9 January 2024
Lodgement of Prospectus and Appendix 3B with ASX	Tuesday, 9 January 2024
Ex date	Friday, 12 January 2024
Record Date for determining Entitlements	Monday, 15 January 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Thursday, 18 January 2024
Last day to extend the Closing Date	Prior to noon (Sydney time) Wednesday, 7 February 2024
Closing Date as at 5:00pm*	Monday, 12 February 2024
Shares quoted on a deferred settlement basis	Tuesday, 13 February 2024
ASX and Underwriter notified of under subscriptions	Wednesday, 14 February 2024
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	Wednesday, 14 February 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Prior to noon (Sydney time) Monday, 19 February 2024
Quotation of Shares issued under the Offer**	Tuesday, 20 February 2024

*These dates are indicative only and are subject to change.

*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.

You should read the entire Prospectus carefully and seek professional advice before deciding whether to invest in the Offer. If you have any queries concerning the Offer, please contact your financial adviser or the Company, by telephone on +61 408 447 493 or email info@southharzpotash.com. For all general shareholder enquiries, please contact the Company's Share Registry, Automic Pty Ltd on +1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Yours sincerely



IAN FARMER
NON-EXECUTIVE CHAIRMAN
SOUTH HARZ POTASH LIMITED

About South Harz

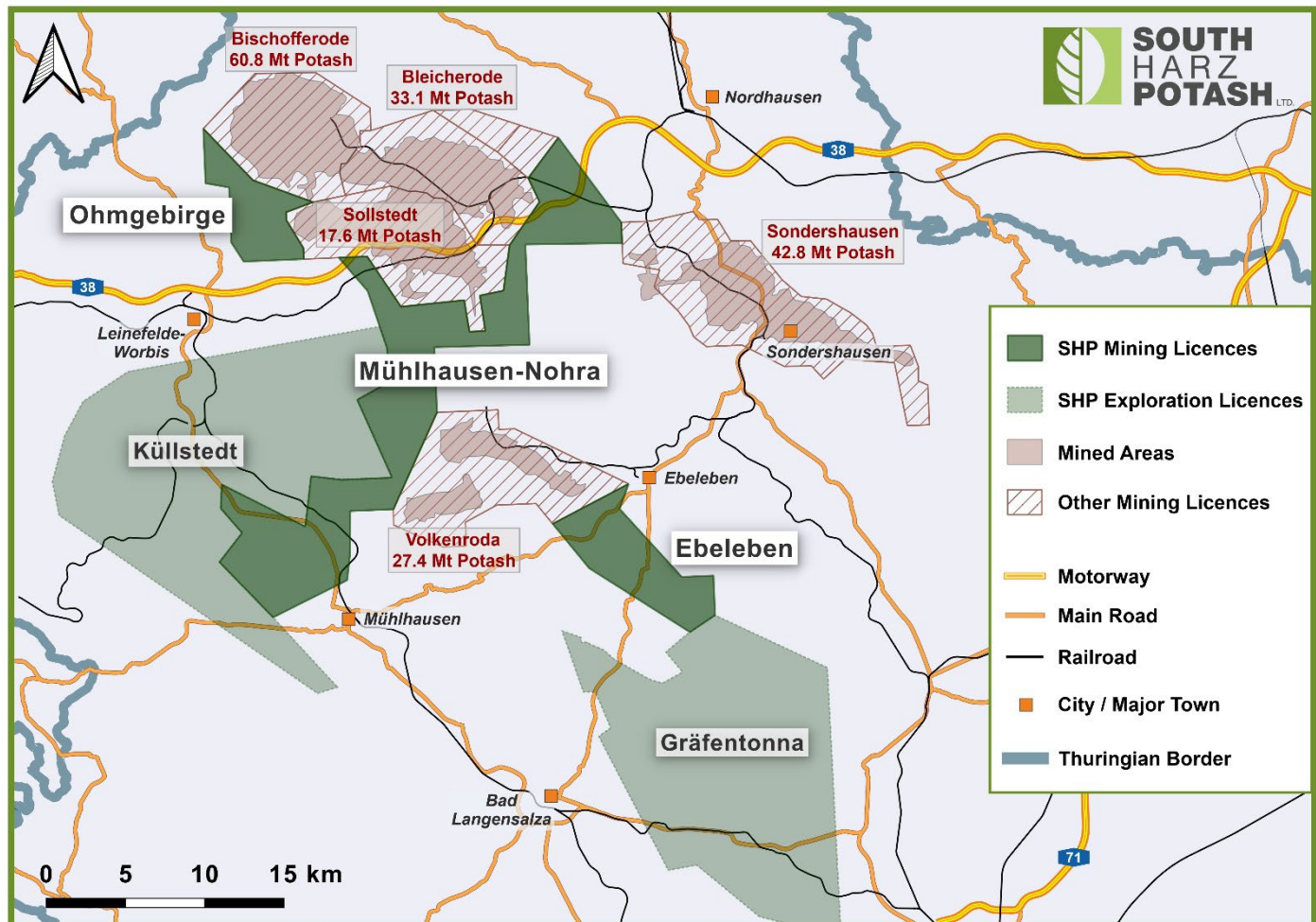
South Harz Potash (ASX: SHP) (South Harz) is a potash exploration and development company with its flagship project located in the South Harz Potash District of Germany, midway between Frankfurt and Berlin.

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 Europe.¹ This comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben and Mühlhausen-Nohra, and two potash exploration licences, Küllstedt and Gräfentonna, covering a total area of approximately 659km.

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, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.