

CORPORATE UPDATE

South Harz Potash Limited (ASX: SHP) (**South Harz** or the **Company**) previously announced an equity raising of up to A\$3.11 million to advance the Company's dual asset strategy. This raising comprised binding commitments for a two-tranche placement to raise approximately A\$1.83 million (at an issue price of A\$0.003 per share, with a 1-for-2 attaching option) plus the intention to launch an entitlement (rights) issue to raise up to a further approximately A\$1.28 million (at the same issue price and attaching option basis).

Rights issue launched

On 30 June 2025, South Harz announced a pro-rata non-renounceable entitlement issue of one share for every three shares plus one free unlisted option held by those shareholders registered at the record date, 5:00pm (AWST) Thursday 3 July 2025, at an issue price of A\$0.003 per share to raise up to approximately A\$1.28 million (before costs). The Company will also issue 1 free unlisted option for every 2 new shares applied for under the entitlement offer at an exercise price of A\$0.006 per share with a 2-year expiry from the date of issue.

The Directors have committed to taking up their full entitlements in the rights issue (representing approximately A\$106,000 new funds), over and above the A\$294,000 total subscription they have already committed in the pending second tranche of the placement.

The Company advises that it has now sent details of how shareholders can access the disclosure document and entitlement and acceptance forms which relate to this Entitlement Offer, to all eligible shareholders.

General Meeting to approve second tranche placement and share consolidation

The date of the General Meeting to obtain shareholder approval for, amongst other matters, the second tranche placement and the planned share consolidation, will be confirmed in coming weeks.

Other funding initiatives advancing

As previously announced, South Harz has also been pursuing a range of potential non-dilutive funding sources to advance the South Harz Potash Project, such as German R&D tax rebates, European Raw Materials Alliance (**ERMA**) funding, and ongoing engagement with financial and industry parties on potential strategic asset-level investment.

The Company has previously advised that it can now proceed to the second stage of the R&D tax rebate process. The second stage determination is expected to be completed during Q4 CY2025, with South Harz's potential cash refund ranging between approximately A\$400,000 to A\$500,000.

South Harz has been informed by ERMA that the Company's application has been unsuccessful as potash is not considered an European Union (**EU**) critical raw material. South Harz will continue to advocate for potash to be included in the list of critical raw materials as well as seek opportunities to gain support from other EU funding agencies to advance the South Harz Potash Project.

South Harz Executive Chairman, Len Jubber, commented:

"The entitlement offer presents an opportunity for all eligible shareholders to participate in the capital raising, designed to facilitate South Harz advancing its dual-asset strategy over the next 12 months. I am excited by the opportunity to pursue a second mineral asset whilst exercising strategic patience in our advancement of the world-class South Harz Potash Project."

This ASX release has been approved by the Board of Directors

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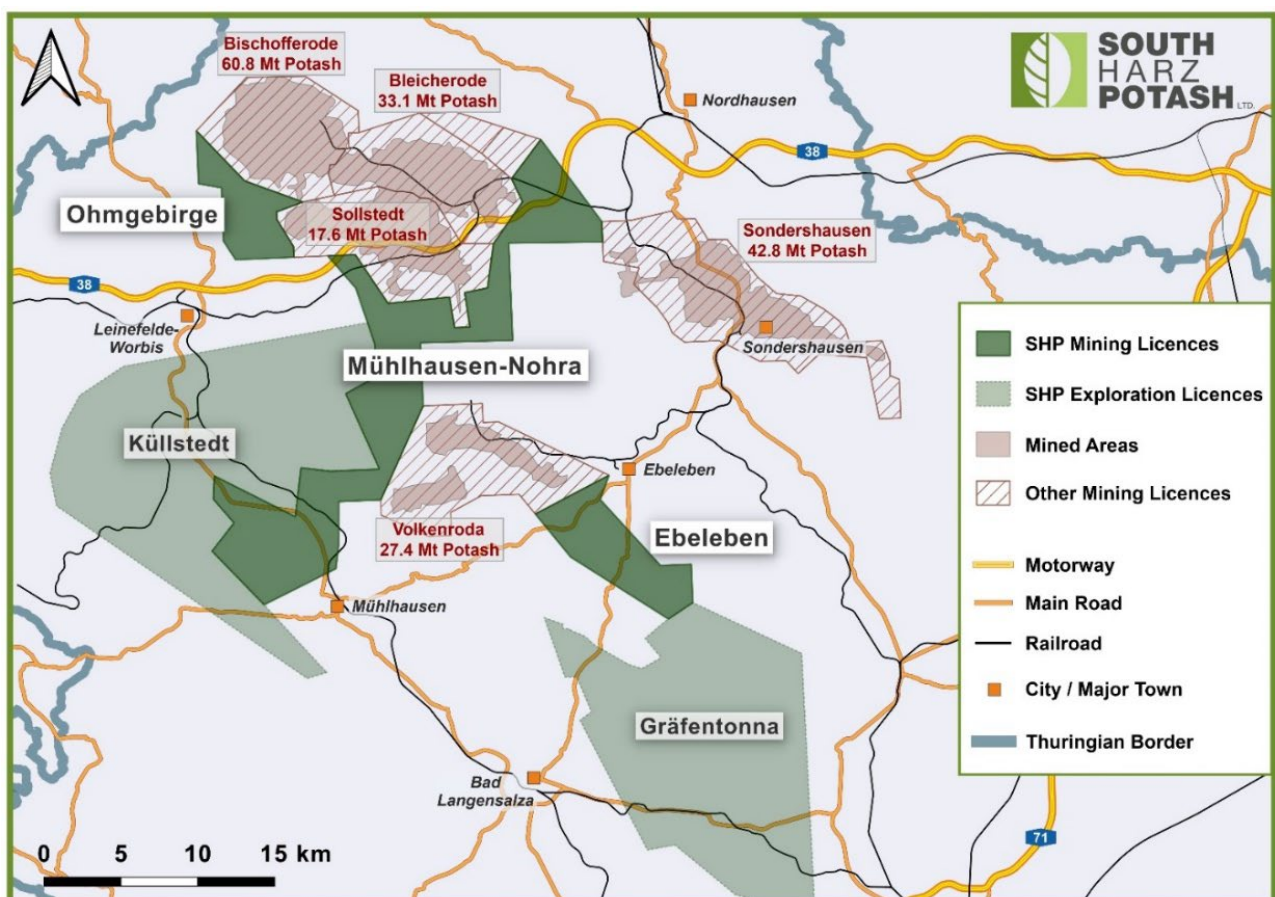
About South Harz: Responsible potash mine development in the heart of the European market

South Harz is a potash exploration and development company with its principal 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 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.