

EQUITY RAISING OF UP TO A\$3.11 MILLION TO ADVANCE SOUTH HARZ DUAL-ASSET STRATEGY

Highlights

- Two-tranche Placement and Rights Issue to raise up to A\$3.11 million in gross equity.
- Funds to be directed towards advancing South Harz's dual-asset strategy:
 - Targeted acquisition of a second complementary minerals asset; and
 - Preservation and non-dilutive growth of the longer-term option value within the South Harz Potash Project.
- K-Utec has agreed to receive shares in Tranche 2 of the Placement in lieu of approximately A\$457,000 owing to them for services performed.
- New non-executive director appointment – experienced critical minerals industry executive, Richard Pearce, appointed to the Board effective from 20 June 2025.
- Determination of German R&D tax rebate application (approx. A\$400,000 - 500,000) expected by Quarter 4 2025.

South Harz Potash Limited (ASX: SHP) (**South Harz** or the **Company**) is pleased to announce that it has received binding commitments for a two-tranche placement of A\$1.83 million (before costs) through the issue of 610.8 million fully paid ordinary shares in the capital of the Company (**Shares**) to new and existing institutional and sophisticated investors at an issue price of A\$0.003 per share (**Placement**).

In addition to the Placement, the Company intends to launch a 1-for-3 pro-rata non-renounceable rights issue to eligible shareholders to raise up to a further A\$1.28 million at the same issue price as the Placement (**Rights Issue**). South Harz has binding commitments for Rights Issue take-up of approximately A\$129,000 from directors and a shareholder.

The Company will issue 1 free unlisted option for every 2 new Shares applied for under the Placement and Rights Issue at an exercise price of A\$0.006 per share with a 2-year expiry from the date of issue (**Options**).

Together, the Placement and the Rights Issue is expected to raise gross new equity of up to A\$3.11 million, which will enable South Harz to advance its dual-asset strategy over the next 9 - 12 months, comprising:

- i. Identification and targeted acquisition of a second mining project complementary to the Company's Ohmgebirge Development (**Ohmgebirge**) and broader South Harz Potash Project in Germany.
- ii. Preservation and growth in the longer-term option value of Ohmgebirge and the South Harz Potash Project via targeted additional funding sources such as German R&D tax rebates, ERMA funding, and ongoing engagement with financial and industry parties on potential strategic asset-level investment.

South Harz Executive Chairman, Len Jubber, commented:

"On behalf of the South Harz Board and management team, I wish to thank all participating investors, including existing shareholders, for their support in these capital raising activities. These proceeds will enable us to advance our dual-asset strategy for the business rapidly and effectively over the coming year."

"I would also like to particularly express my gratitude to K-Utec for their creditor-offset subscription to the raise. Their support assists in further bolstering the South Harz balance sheet, as well as being a strong vote of confidence in the South Harz Potash Project and our long-term strategy for it.

"Finally, I am delighted to welcome Richard to the South Harz team. He brings extensive experience in corporate governance, strategic leadership and business development across a broad range of mineral sectors and geographical regions. Richard also joins us at a key juncture and will significantly strengthen our capability to gain exposure to other critical minerals opportunities, in parallel with preserving and eventually maximising the value of our outstanding potash assets. I look forward to drawing on his skills and experience to assist in executing our strategy to build shareholder value in our rapidly changing world."

Placement

Under the terms of the Placement, South Harz has received binding subscriptions for the issue of 610.8 million Placement Shares at an issue price of A\$0.003 per Share for new equity of A\$1.83 million (before costs), comprised as follows:

- **Tranche 1:** Issue of approximately 180.3 million new shares at A\$0.003 per share to raise A\$541,000. These shares will be issued under the Company's capacity under ASX Listing Rule 7.1 (A\$226,684 for 75,561,336 shares) and ASX Listing Rule 7.1A (A\$314,316 for 104,772,000 shares); and
- **Tranche 2:** Issue of approximately 430.5 million new shares at A\$0.003 per share representing approximately A\$1.29 million of new equity, subject to shareholder approval at a General Meeting planned to be held during August 2025. Tranche 2 includes approximately A\$620,000 worth of shares to be issued to service providers in lieu of cash payment for performance of services (including to K-Utec, as outlined in more detail below).
- **Placement Options:** Approximately 305.4 million options to be issued to Placement participants, subject to shareholder approval at a General Meeting planned to be held during August 2025.

The issue price of A\$0.003 per share represents a 4.3% discount to the Company's 15-day volume weighted average price (**VWAP**) of A\$0.00313 per Share.

K-Utec AG Salt Technologies (**K-Utec**), a creditor to South Harz, has agreed to subscribe for 152,327,000 new shares in the Company as part of Tranche 2 of the Placement. The amount of A\$456,981 owing on this subscription is to be partially offset against the outstanding balance of €309,861 (or approximately A\$544,000) owed to K-Utec by the Company.

South Harz's directors have provided firm commitments to participate in Tranche 2 of the Placement for a total of 98,000,000 new shares with 49,000,000 attaching Options, representing new equity of A\$294,000. This comprises 23,000,000 Placement Shares and 11,500,000 Options to Len Jubber, 71,000,000 Placement Shares and 35,500,000 Options to Rory Luff, and 4,000,000 Placement Shares and 2,000,000 Options to Reinout Koopmans (or their respective director-related entities, together, the **Director Placement Securities**).

The issue of the Director Placement Securities are included in Tranche 2 and are subject to receipt of shareholder approval at a General Meeting to be held during August 2025.

Rights Issue

The Rights Issue is expected to be available to shareholders of the Company named on its register of members at 5:00pm (AWST) on Thursday, 3 July 2025 (**Record Date**), whose registered address is in Australia, New

Zealand, or any other shareholders in other jurisdictions South Harz decides to offer (together, the **Eligible Shareholders**). The Record Date may be subject to change should the indicative timetable presented below change for any reason.

Eligible Shareholders will be offered the opportunity to acquire fully paid ordinary shares at an issue price of A\$0.003 per share (**Rights Issue Shares**) on the basis of one (1) new Share for every three (3) Shares held by Eligible Shareholders as at the Record Date to raise up to approximately A\$1.28 million.

Rights Issue Shares not applied for under the Rights Issue will be offered pursuant to a separate offer which will remain open for up to three months following the closure of the Rights Issue (**Shortfall Offer**). The Shortfall Offer will be on the same terms as the Rights Issue. The allocation policy for the Shortfall Offer will be detailed in the prospectus to be issued for the Right Issue.

Eligible Shareholders may also apply for additional Rights Issue Shares above their pro-rate entitlement under the Shortfall Offer, from those Rights Issue Shares not applied for by other Eligible Shareholders.

South Harz has received binding commitments for Rights Issue take-up of approximately A\$129,000 from directors and a shareholder. The directors have provided firm commitments to take up A\$106,000 of shares in the Rights Issue comprising of A\$31,000 from Len Jubber, A\$67,000 from Rory Luff and A\$8,000 from Reinout Koopmans (or their respective director-related entities).

As noted earlier, the Company will issue free attaching Options (defined above) to participants who are issued Rights Issue Shares under any of the Rights Issue and Shortfall Offer.

Capital structure

The effect of the Placement and Rights Issue (assuming all Rights Issue Shares are issued) on the Company's capital structure is outlined in the table below:

Securities	Shares	Options	Performance Rights
Securities on issue (current)	1,102,728,708	101,030,548	48,500,000
New Tranche 1 Placement Securities to be issued	180,333,336	90,166,668	
New Rights Issue Shares and Options (maximum)	427,687,348	213,843,674	
New Tranche 2 Placement Securities to be issued	430,523,966	215,261,983	
Financial Advisor Securities		15,000,000	
New Director Options		5,000,000	
Securities on issue (maximum)	2,141,273,358	640,302,873	48,500,000

Indicative timetable

An indicative timetable¹ of relevant events and dates relating to the Placement and Rights Issue is outlined below.

Further details of the Rights Issue, including details on key risks and how to accept, will be set out in a prospectus which is expected to be released in accordance with the indicative timetable below.

The Company intends to dispatch a Notice of Meeting during July 2025 for a general meeting to be held during August 2025 to approve the issue of the Tranche 2 Placement Shares and the issue of Options.

Key events	Timing
Resumption of trading and lodgement of Appendix 3B in relation to Placement and Rights Issue	Thursday, 19 June 2025
Issue date for Tranche 1 Placement Shares	Friday, 27 June 2025
Lodgement of Rights Issue and Options Prospectus with ASIC and ASX	Friday, 27 June 2025
Trading commences for Tranche 1 Placement Shares	Monday, 30 June 2025
Ex date for Rights Issue	Wednesday, 2 July 2025
Record Date for determining Eligible Shareholders for Rights Issue	Thursday, 3 July 2025
Rights Issue and Options Prospectus sent out to Eligible Shareholders and opening date of the Rights Issue	Tuesday, 8 July 2025
Last day to extend the Closing Date for the Rights Issue	Monday, 14 July 2025
Closing Date of Rights Issue ²	Thursday, 17 July 2025
Announcement of results of Rights Issue	Thursday, 24 July 2025
Trading commences for Rights Issue Shares	Friday, 25 July 2025

Dual-asset strategy

The South Harz Board is seeking to adopt a dual-asset strategy through a targeted and aligned new asset acquisition and advancement, leveraging on its existing corporate foundation and established presence in Europe and Australia, with a disciplined focus from a proven (existing and new) team with suitable capability.

Simultaneously, the Company is of the view that an approach of “strategic patience” is necessary in relation to its potash assets, whilst a depressed potash price remains a significant factor in the relatively low implied value that the ASX market environment is currently attributing to its South Harz Potash Project. This approach includes targeting minimal holding costs for the South Harz Potash Project, which enjoys the benefits of perpetual tenure.

¹ The Directors reserve the right to change the indicative timetable without notice.

² Directors may extend the Closing Date by providing at least three Business Days’ prior notice to the ASX. Consequently, the date on which Rights Issue Shares commence trading on ASX may vary.

The potential availability of additional, non-dilutive funding to advance the South Harz Potash Project, such as the German R&D tax rebate and ERMA applications which were submitted by South Harz last quarter, plus prospective future strategic partners, offers possible means to facilitate medium-term advancement of these potash assets as appropriate.

Share consolidation

South Harz plans to consolidate its issued share capital on a one (1) for fifteen (15) basis following completion of the Placement and Rights Issue, subject to shareholder approval at a General Meeting planned to be held during August 2025.

New director appointment

South Harz is pleased to advise that Mr Richard Pearce has been appointed as a non-executive director with effect from 20 June 2025.

Mr Pearce has over 30+ years' experience in the mineral industry across critical, industrial and energy minerals. His participation spans the full asset life cycle and value chains (exploration, development and commercialisation), and includes key roles held across board directorships, exploration and operations management, mining finance, M&A, business strategy and operational improvement.

He has a proven business development track record and has guided resource companies from IPO and early capital raising stages through to eventual successful commercialisation and/or combination. He has held senior roles at Rio Tinto Limited as well as led various junior ASX-listed companies, including most recently as Non-Executive Chairman of 92 Energy Limited (up to its successful three-way merger in 2024). Richard is currently on the board of Atha Energy Corporation (TSX:SASK) and IS Group (unlisted).

Upon agreeing to join the South Harz Board, Mr Pearce is entitled to be issued five million incentive options. These options are exercisable at a strike price of A\$0.006, expire four years from issue date, and will only vest upon the reaching of 18 months service with South Harz by Mr Pearce. These incentive options are to be issued pursuant to Exception 12 of Listing Rule 10.12.

German R&D tax rebate application

During the March 2025 quarter, South Harz (through its 100%-owned German subsidiary) made R&D tax rebate applications to the Research Allowance Certification Office (**BSFZ**) of the Federal Ministry of Research, Technology and Space in Germany.

The Company is pleased to advise that it has now received certification from the BSFZ which has verified that its applications for tax-deductible research funding constitute "research and development" within the meaning of the Research Allowance Act in Germany. With this certification, the Company can proceed to the second stage of the process and submit an application to the relevant tax office to receive the R&D rebate as part of its tax return process. The tax office will then conduct a review and scrutinise the relevant expenditure incurred by the Company, which has been certified by BSFZ.

South Harz expects the second stage determination of its application to be completed by Quarter 4 2025, with its potential cash refund ranging between approximately A\$400,000 to A\$500,000.

Potential purchase of Sollstedt

Activities pertaining to the future purchase of the neighbouring Sollstedt mine property from Deusa International GmbH (**Deusa**) are advancing, with the exclusivity date agreed with Deusa for the conduct of these negotiations and execution of binding documents now having been extended to 31 December 2025.

This ASX release has been approved by the Board of Directors

Investor and media enquiries

Len Jubber

Executive Chairman

South Harz Potash Ltd

info@southharzpotash.com

Michael Vaughan

Fivemark Partners

+61 422 602 720

michael.vaughan@fivemark.com.au

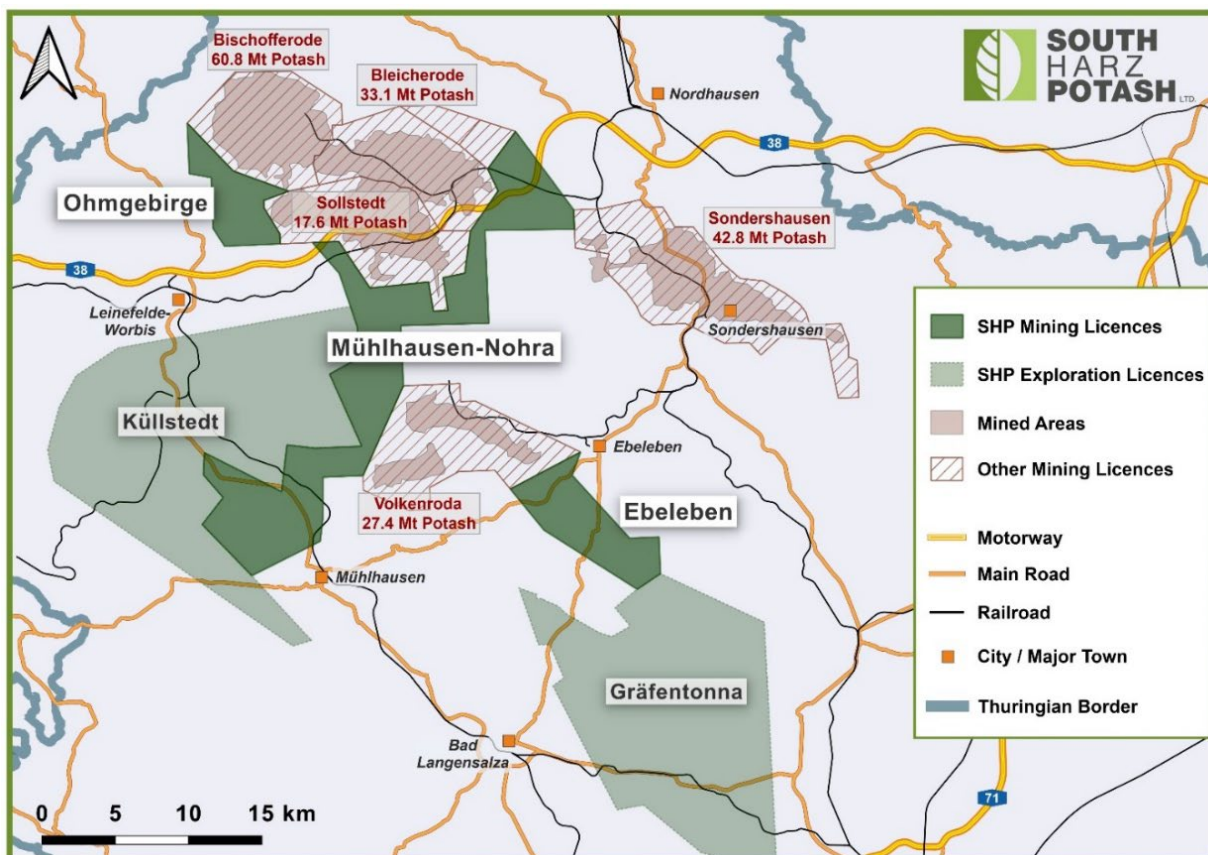
About South Harz: Responsible potash mine development in the heart of the European market

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.