

ASX ANNOUNCEMENT

27 June 2023

OHMGEBIRGE PFS ON TIME AND ON BUDGET

- Ohmgebirge Pre-Feasibility Study (**PFS**) 50% complete, on time and on budget with final report due in December 2023
- Final site selection in progress including brownfield optionality with neighboring Bernterode shafts offering substantial potential savings to overall capital expenditure
- Bernterode shafts are located 1,500m from Ohmgebirge tenement boundary and proximal to the thickest sections of Ohmgebirge deposit
- South Harz PFS team is led by South Harz COO, Lawrence Berthelet, in conjunction with global potash development leader, HATCH
- Ohmgebirge 3D geological resource model complete reinforcing the world-class nature and scale of the South Harz potash mineralisation

South Harz Potash Limited (ASX:SHP) (**South Harz** or the **Company**) provides an update on the progress of the PFS on its 100%-owned Ohmgebirge Development located in the South Harz Potash District in Germany.

This update follows the confirmation last week that South Harz had commenced the permitting process for Ohmgebirge with the submission of the requisite Scoping Paper to the relevant Thuringian state regulatory body. This Scoping Paper includes two potential development pathways, the preferred being a brownfield option offering substantial potential savings to overall capital expenditure.

South Harz CEO, Luis da Silva, commented, "The Ohmgebirge PFS is proceeding on track and budget under the expert oversight of both industry leader, Hatch, and our deeply experienced COO, Lawrence Berthelet. Our work to date continues to affirm the world-class nature of the Ohmgebirge development and its strong capacity to leverage existing regional infrastructure and a genuine brownfield development pathway. We look forward to providing further updates as key outcomes are progressively concluded and the PFS advances towards targeted completion later this year."

All key Ohmgebirge PFS workstreams are progressing strongly with the overall program approximately 50% complete and on track for completion during December 2023. The combined engineering team, which includes Hatch, K-UTEC, ERCOSPLAN and Micon, have achieved key milestones to date including:

- 3D geological model complete, including both a resource model and a mineralogical model to accurately develop the mine plan.
- Shortlisted site and shaft selection including neighbouring brownfield development option utilising existing operational shafts and industrial zoned land around Bernterode. The Bernterode shafts are located only 1,500m from the Ohmgebirge tenement boundary and proximal to some of the thickest sections of the Ohmgebirge deposit (see Figures 1 and 2). South Harz is advancing discussions with the shaft owner, NDH-E/Deusa, with respect to the potential of such a highly capital-efficient development.
- Planning approval procedure commenced.

- Baseline environmental studies in progress (by ERM).
- Preliminary process design completed including equipment list.
- Preliminary plant design and layout in progress from process information.
- Five-tonne bulk sample collected from contiguous mineralisation to Ohmgebirge within the Bernterode underground workings. This has allowed commencement of large-scale process design testwork (in progress), including grind size optimisation and backfill material design/engineering.
- Finalisation of potash and salt market studies and initial marketing strategy.

Further key trade-off studies in progress include:

- **Power** – multiple effect evaporator (steam) versus mechanical vapour recompression (electrical).
- **Mining** – drill and blast versus continuous mining.
- **Energy** – natural gas versus grid electrical power versus biogas versus hydrogen (or hybrid selection).

The PFS scope includes the analysis of options to limit peak capital requirements of the project, while retaining attractive overall economics. This includes not only brownfield options at Bernterode but also alternative approaches to capacity design, including a potential phased approach to the capacity build-up.

South Harz COO, Lawrence Berthelet, further commented, "The combined PFS team is working studiously to deliver the optimal engineering solution for the project, region, and German potash industry. Ohmgebirge is set to capture the benefits of historical mining in the area delivering it clear potential to become one of the most significant, lower quartile capital intensity potash developments."

The following plan and long section images better illustrate the opportunity at Ohmgebirge, depicting the thickness of the deposit and the strength of exploration data supporting the resource modelling (14 drillholes inside the perimeter of the Ohmgebirge licence area). Ohmgebirge lies immediately to the south and west of the historical potash mines of Bischofferoder, Bleicheroder and Sollstedt.

Figure 1: Plan view of Ohmgebirge tenement – overlain with modelled deposit thickness (red thickest), historical and recent confirmatory drillholes (labelled black dots), location of existing operational Bernterode shafts (red line) with proposed connecting drift (red dashed line) under brownfield development plan, and Figure 2 long section plane (white line A-B). This schematic is for illustration purposes and not a final design.

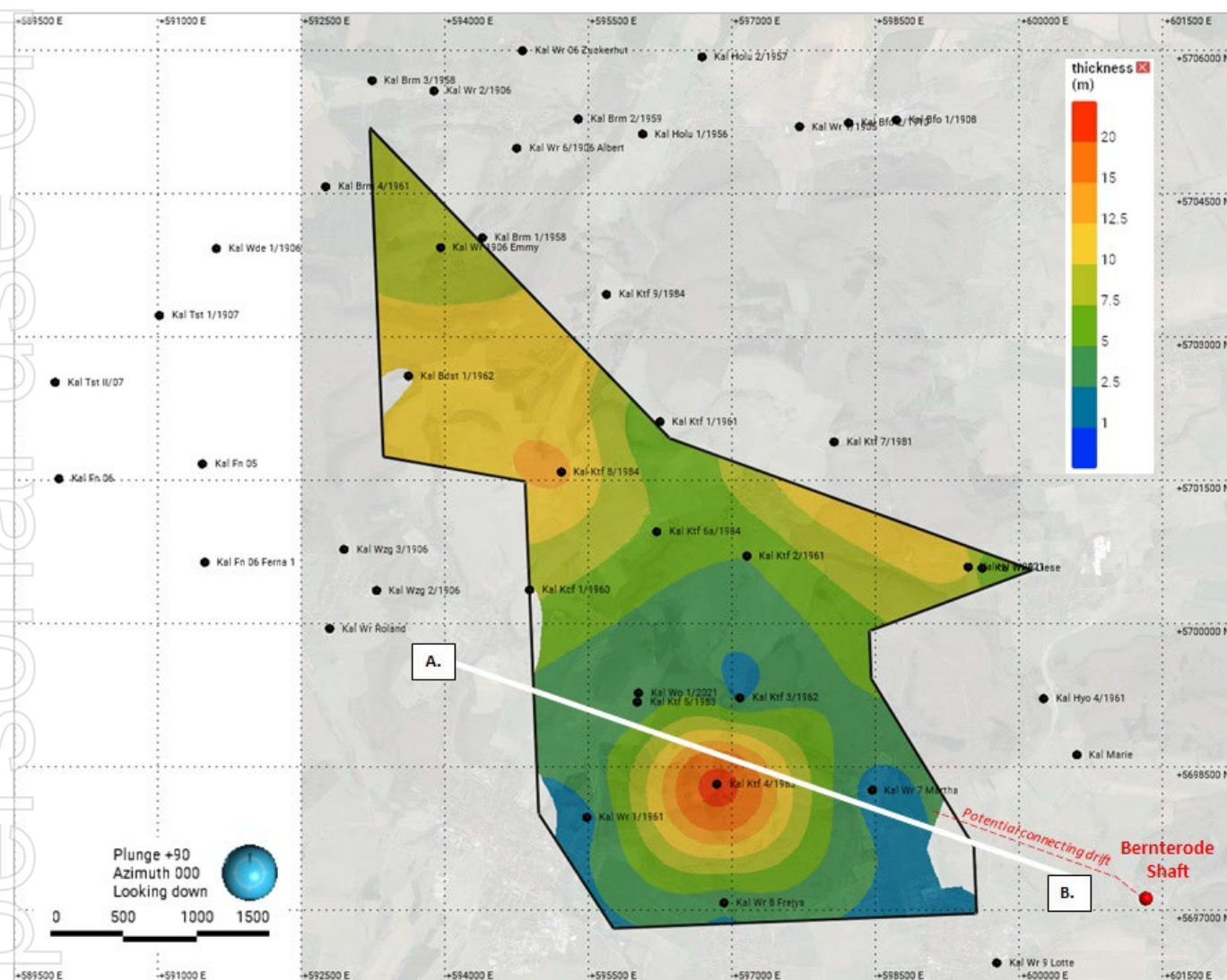
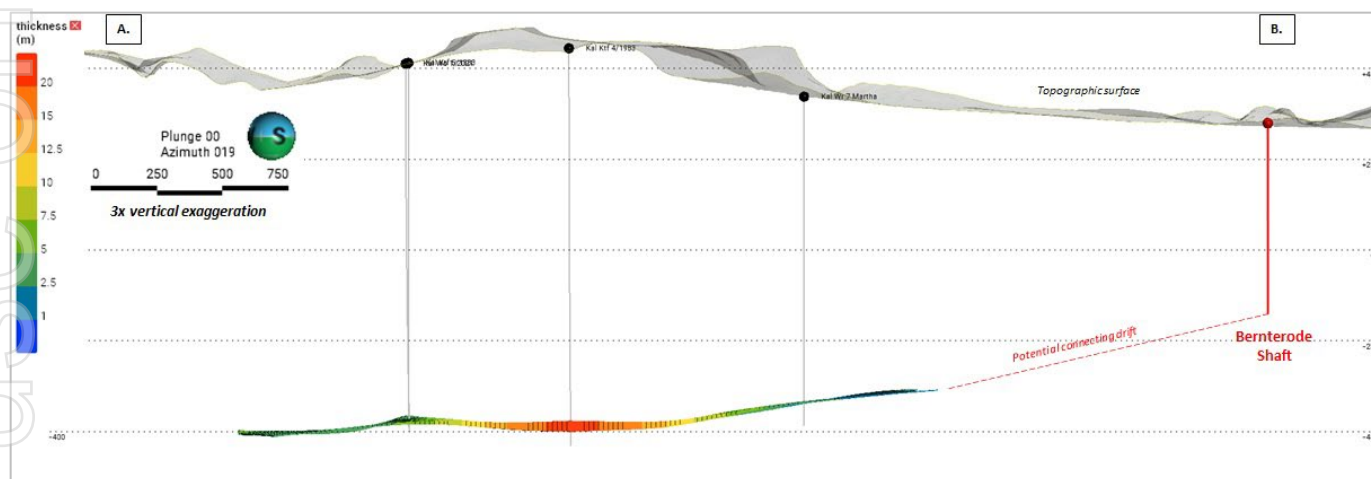


Figure 2: Long section of Ohmgebirge deposit (marked A-B on Figure 1) – showing modelled deposit thickness (red thickest), historical and recent confirmatory drillholes (labelled black dots and grey lines), and location of existing operational Bernterode shaft (red line) with proposed connecting drift (red dashed line) under brownfield development plan. This schematic is for illustration purposes and not a final design.



This ASX release has been approved by CEO & Managing Director, Luis da Silva.

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About South Harz

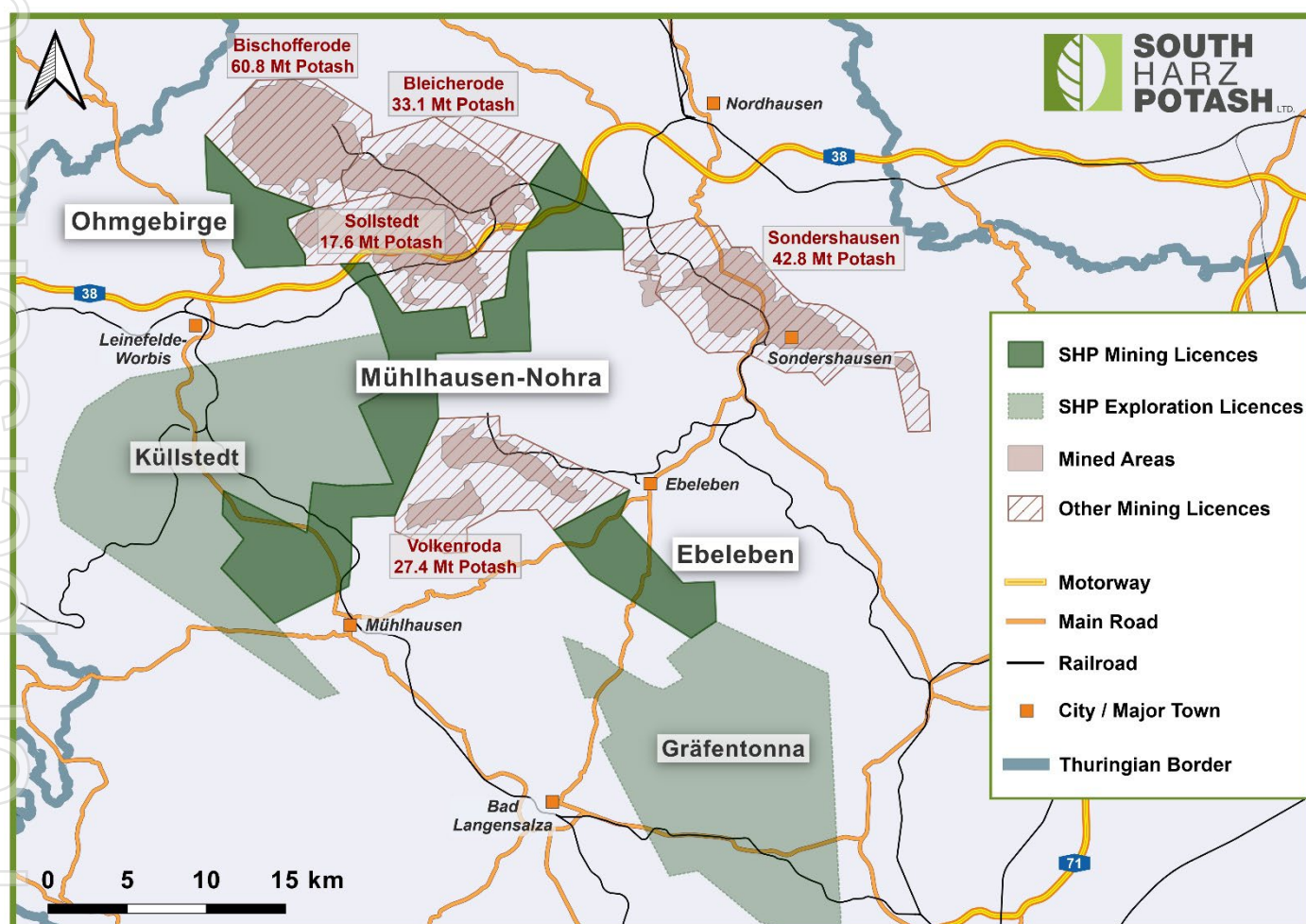
South Harz Potash (ASX: SHP) (**South Harz**) is a potash exploration and development company with its flagship project located in the South Harz Potash District of Germany, midway between Frankfurt and Berlin.

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.