

ASX ANNOUNCEMENT

21 October 2021

New Investor Presentation

South Harz Potash Ltd (ASX:SHP, "South Harz Potash", "The Company") is pleased to bring to general attention an updated investor presentation. The presentation is also available on the Company's website: <https://southharzpotash.com/investors/>.

This announcement has been authorised by the Directors of South Harz Potash Limited.

On behalf of South Harz Potash Limited,
Dr Chris Gilchrist, Managing Director

Investor & Media Enquiries

Dr Chris Gilchrist

Managing Director
South Harz Potash Ltd
+353 87 687 9886; +61 451 367 630
cgilchrist@southharzpotash.com

Andrew Edge

Fivemark Partners
+61 410 276 744
andrew.edge@fivemark.com.au

Justine James / Harriet Jackson / Faye Calow

Alma PR
+44 203 405 0205
shp@almapr.co.uk

Notes to Editors

South Harz Potash (ASX: SHP) is a potash exploration and development company with projects in the South Harz Potash District region of Germany, midway between Frankfurt and Berlin. Collectively, it hosts a massive potash resource across four wholly-owned projects located favourably within central Europe.

South Harz Potash's project portfolio comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben, Mühlhausen-Nohra and two potash exploration licences, Küllstedt and Gräfentonna, covering a total area of approximately 659km². With established infrastructure, the projects are potentially well positioned to enable SHP to develop mines rapidly and at relatively low cost. South Harz Potash - Growing a responsible potash business in the heart of Germany. www.southharzpotash.com

CONTACT DETAILS

W: southharzpotash.com
E: info@southharzpotash.com
P: +61 (08) 9481 0389

ABN: 64 153 414 852

ASX Code: SHP

ASX Code (Options): SHPO

Frankfurt Code: A2DWXX

424.1M Ordinary Shares

160.7M Unlisted Options

46.2M Listed Options

4.1M Performance Rights



SOUTH HARZ POTASH^{TD.}

Building a world-class potash
business

October 2021



Disclaimer



Forward looking and Competent Person's statements

This presentation has been prepared by South Harz Potash Limited ("South Harz Potash", "SHP", "The Company"). The information contained herein is a professional opinion only and is provided in good faith. Certain information has been derived from third party sources and, while SHP has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by SHP. The presentation is in summary form and does not purport to be all-inclusive or complete. Recipients should conduct their own investigations and perform their own analyses in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

This is for information purposes only. Neither this nor the information contained constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of SHP securities in any jurisdiction. This does not constitute investment advice and has been prepared without taking into account the recipients' investment objectives, financial circumstances or particular needs and the opinions and recommendations contained in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks which include (among others) the risk of adverse or unanticipated market, financial or political developments.

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Any forward-looking statements included in this document involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and may be unknown to SHP. In particular, they speak only as of the date of this document, they assume the success of SHP's strategies and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Recipients of this document are cautioned not to place undue reliance on such forward-looking statements.

Mrs Elizabeth de Klerk M.Sc., Pr.Sci.Nat., SAImm., Managing Director and Senior Geologist of Micon International Company Limited (UK) has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mrs De Klerk consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

The information in this announcement which relates to the Mineral Resource Estimates for the Ebeleben, Mühlhausen-Keula, Mühlhausen-Nohra Elende, Küllstedt and Ohmgebirge Mining Licence areas, as set out in slide 23 of this document, were compiled and generated by Mrs De Klerk under commission by SHP. Mrs De Klerk holds no shares in SHP.

South Harz Potash



Building a world-class potash business in Germany

A PROJECT OF
SIGNIFICANT
QUALITY
AND SCALE

5.3  Bt

OF JORC INFERRED
MINERAL
RESOURCE¹

567_{Mt}

CONTAINED K₂O
AT SHALLOW
DEPTH ACROSS

659_{km²}

IN THE HISTORIC HEART OF POTASH COUNTRY



3 PERPETUAL
MINING
LICENCES

2 EXPLORATION
LICENCES



TARGETING SECTOR LOW
EMISSIONS AND COMMITTED TO
MINIMISING PRODUCTION IMPACT

ENVIRONMENTALLY RESPONSIBLE

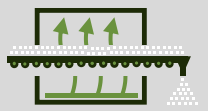
SIMPLE MINERAL EXTRACTION PROCESS



CONVENTIONAL
MINING & CRUSHING

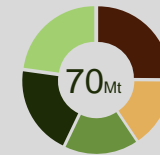


DISSOLVING AND
CLARIFYING

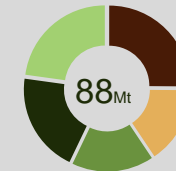


CRYSTALLISATION
& DRYING

SUPPLYING A LARGE, GROWING MOP MARKET²



DEMAND 2021



DEMAND 2035

■ Northeast Asia
■ Europe, Russia and Central Asia
■ North America
■ Latin America
■ Other



IN A HIGHLY ATTRACTIVE LOCATION



DEEP REGIONAL
KNOWLEDGE



SAFE, STABLE
JURISDICTION



DEVELOPED
INFRASTRUCTURE

Note:

1. Refer to slide 23 (Appendix) for details, the Company is not aware of any new information or data that materially affects the information included in the previous market announcements

2. Source: Angus Potash Audits, August 2021

Board and management

Lead by a team with deep mineral knowledge and experience



Ian Farmer
Non-Executive
Chairman

- Executive with deep experience across a range of mining businesses
- 26 years experience at Lonrho and subsidiary companies in financial and strategic roles
- Previously CEO of Lonmin



Dr Chris Gilchrist
Managing Director

- Mining executive and potash expert with over 40 years of industry experience
- Built and managed potash operations in Europe and Africa
- Previously GM and Operations Director for Cleveland Potash, Non Executive Director of South Boulder (Danakali) and COO to Circum Minerals potash project (Ethiopia)



Dr Reinout Koopmans
Non-Executive
Director

- Highly experienced with over 15 years in investment banking.
- Previously responsible for global public equity raising for natural resources companies at Deutsche Bank
- Additional experience with Jefferies International and McKinsey & Co.



Rory Luff
Non-Executive
Director

- Founder of BW Equities, a specialist Melbourne-based equities advisory
- Over 15 years' experience in the financial services industry
- Majority of career in the financial markets advising resources companies



Hansjorg Plaggermars
Non-Executive
Director

- Experienced company director with a deep knowledge of corporate finance, strategy and governance
- Previously served on numerous boards and with significant European corporate and capital markets knowledge



Len Jubber
Non-Executive
Director

- Served as Chief Executive of Bannerman Resources for 8 years
- Previously CEO of Perilya and COO of Oceana gold
- A mining career spanning more than 30 years, bringing a wealth of technical, commercial and corporate experience

Corporate snapshot

ASX | SHP



MARKET
CAPITALISATION

A\$55M

SHARES ON ISSUE

424M

NET CASH POSITION

A\$8M

SHARE PRICE
(A\$/SHARE)

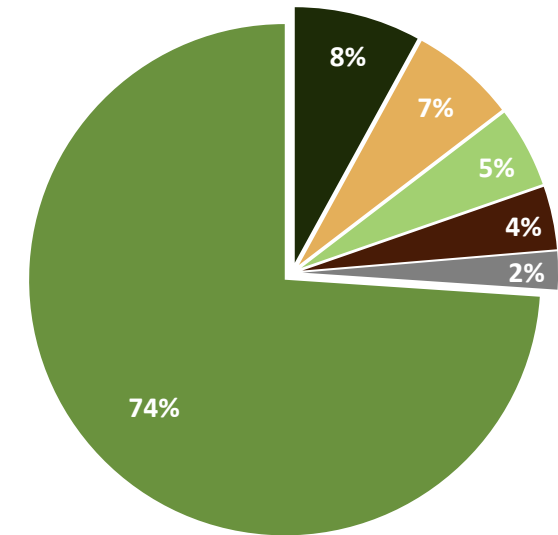
A\$0.13

BROKING SUPPORT

EUROZ HARTLEYS



MAJOR
SHAREHOLDERS



- Delphi Unternehmensberatung Aktiengesellschaft
- Board and Management
- Merchant Funds Management
- Lufgan Nominees
- Lions Bay Capital Inc
- Other

Note: Net cash and shares on issue as at 30 June 2021, share price and market capitalisation as at 12 October 2021, register details as at 17 August 2021



KEY ASSET DYNAMICS

A compelling opportunity



**SOUTH
HARZ
POTASH** LTD.

An extensive portfolio

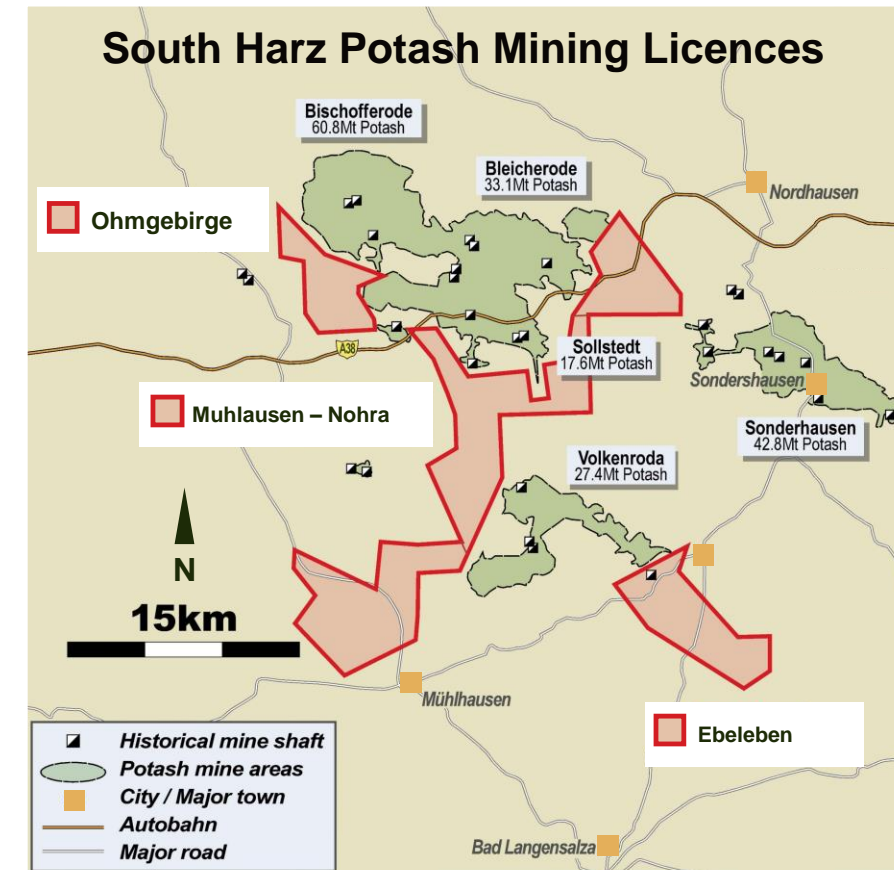
High-quality, highly-endowed mining and exploration licences

**EASILY WESTERN EUROPE'S MOST
SIGNIFICANT POTASH
RESOURCE** **5.3** Bt FOR **567** Mt K₂O
3 PERPETUAL MINING LICENCES **2 EXPLORATION
LICENCES**

- Assets historically part of the East German state
- Purchased via tender from the German Government in 2017
- Licences granted in perpetuity and unencumbered by royalties or rents
- Extensive historical exploration undertaken
- South Harz Potash has results from >300 historical drill holes



Elevation to Indicated Resource targeted via two confirmatory drill holes per project area



A premier asset profile

Highly conventional asset base

OUR ASSETS AND RESOURCE ARE **STRONG IN ALL FACETS**

- Shallow starting depth creates a substantial natural capital and operating cost advantage
- Combined with superior geology and mineralogy
- Highly competitive grade profile versus global MOP development projects

 **Attractive combination of depth, scale and location**



THICK MINERALISATION



SHALLOW DEPTH



HIGHLY CONSISTENT GEOLOGY



LOCATED WITHIN KEY TARGET MARKET



HIGHLY COMPETITIVE GRADE

A world-class scale



Delivering substantial real option value



GROWING INTO A TOP TIER ASSET TARGETING EUROPEAN MARKETS

- To be organically grown, with potential expansionary development to leverage
- Short distance to key European market and export ports = very low logistics costs
- European focus, complementary to (rather than in competition with) BHP's Jansen supply

Source: Publicly available company data retrieved from

Operator	 SOUTH HARZ POTASH	 BHP
Ownership	100%	100%
Country	Germany	Canada
Project	South Harz	Jansen
Status	Scoping	DFS
Resource (Mt)	5,268	6,510
Measured : Indicated : Inferred (ratio)	0 : 0 : 100	80 : 0 : 20
K ₂ O (Mt)	567	1,667
Mine type	Conventional UG	Conventional UG
Overland distance to target markets and/or export port	260 km	1,500 km
Target markets	Europe and South America	Americas, India and Asia

on 10 October 2021

A highly attractive location

Within the central German state of Thuringia

THE HISTORIC HEART OF

POTASH COUNTRY

CONTINUOUS
PRODUCTION
OF
POTASSIUM
SALTS SINCE
1861



 **Positioned to become European MOP supplier of choice**

Note:

1. Carnallite processing by simple cold leaching technology started in 1861 in the North Harz district of Central Germany

DEEP REGIONAL POTASH MINING & PROCESSING KNOWLEDGE



- Home to an engaged, skilled workforce
- Exploration and development supplies locally available
- Headquarters of K + S, ERCOSPLAN and K-UTEC

SAFE, STABLE JURISDICTION



- Supportive regional government, pro job creation
- Stable politically and economically
- Europe's largest, and the world's 4th largest economy

MODERN, EXISTING INFRASTRUCTURE



- State and federal roads connecting to federal motorways
- Regional and trans-regional railway networks
- Easy access to key markets with low logistic costs

A highly attractive location

Positioned to capitalise on freight advantages

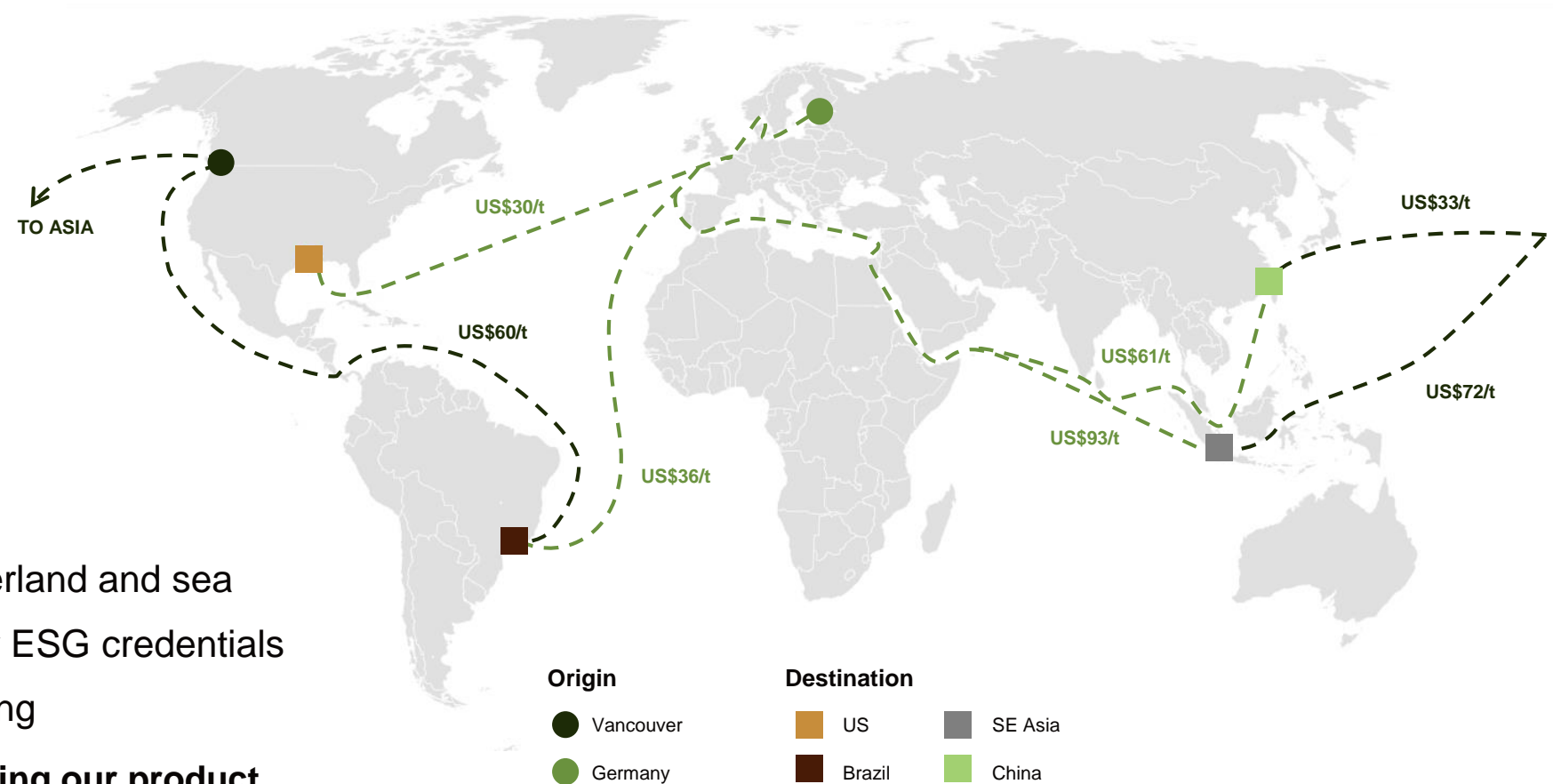
FUTURE POTASH SALES

**WILL INCREASINGLY
RELY ON LOCAL
SOURCES**

- Lower delivered cost – both overland and sea
- Lower carbon impact = superior ESG credentials
- Supply geopolitical tensions rising



A clear advantage when marketing our product



Source: Argus, Potash Analytics, August 2021

Note: Numbers reflect sea freight costs only and do not include South Harz's typically vastly superior cost of transport to port

A large, growing market

Targeting MOP demand in Europe and Latin America

OUR MINERAL DEPOSIT IS SET TO PRODUCE

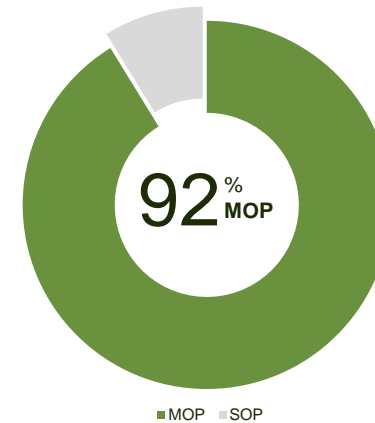
MOP

- Muriate of Potash (**MOP**) is the most economic source of essential potassium nutrients
- Demand drivers (population growth and dietary change) are reliable and progressive
- By-products can include high-grade sulphate minerals for additional commercialisation opportunities
- Recent significant price re-rating in global MOP markets; buyer imbalance recognition

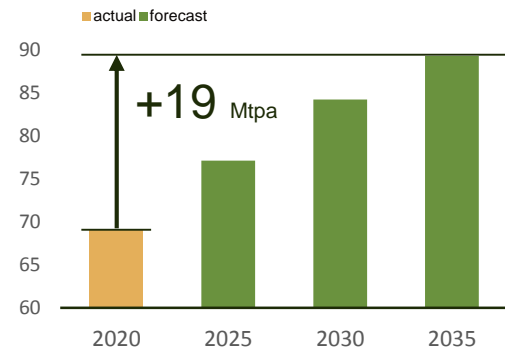
 **Europe requires local, secure, baseload capacity**

Source: Argus Potash Analysis, 26 August 2021
Note: Target sales 80% Europe and 20% Latin America (Brazil)

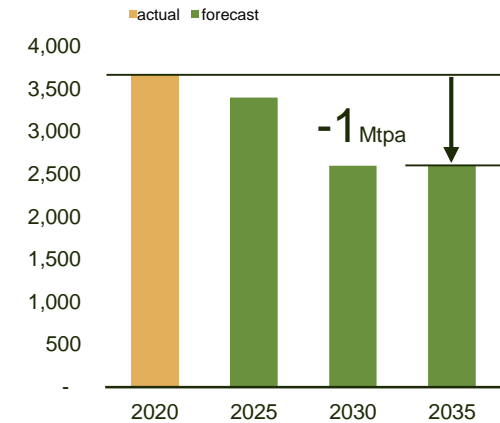
Global MOP & SOP demand 2021



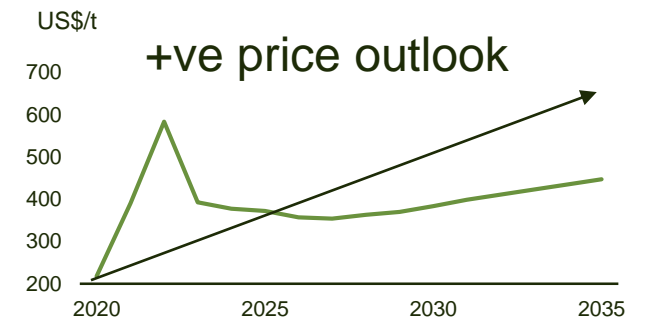
Global MOP demand forecast 2035 (Mtpa)



German MOP production forecast (Mtpa)



Standard MOP Baltic fob (bulk) nominal forecast

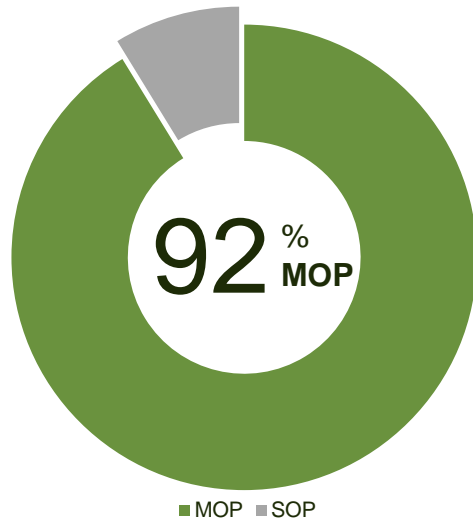


A large, growing market

Current supply tightness and agricultural demand are driving multi-year highs

MOP vs SOP

**GLOBAL POTASH DEMAND
IS DOMINATED BY MOP**



Source: Argus Potash Analysis, 26 August 2021

MURIATE OF POTASH

MOP

60% K₂O EQUIVALENT

- Potassium chloride
- **Large, well structured global market**
- Current global market of **~70 Mt pa**
- **Extensively applied** to a wide range of crop segments, including, soya, rice, wheat, barley etc
- Market is supplied predominately by **Canada, Russia and Belarus**
- **Simple mineral extraction and production**
- **Low** relative operational **expenditure**
- Most **cost-effective** form of granulated potassium fertiliser

SULPHATE OF POTASH

SOP

52% K₂O EQUIVALENT

- Potassium sulphate
- **Sensitive, fragile market** dynamics
- Current global market of **~7 Mt pa**
- **Niche market** for chlorine-sensitive crops, tobacco, oranges, avocado
- Market is dominated by the **Chinese**
- Production from natural brine lakes and **via MOP conversion (Mannheim process)**
- **Complex brine chemistry**, controlled stage-wise evaporations in multiple pond layouts
- **Expensive**

A responsible producer

Set to deliver an environmentally friendly fertiliser product¹

TARGETING SECTOR

LOW EMISSIONS

AND COMMITTED TO MINIMISING PRODUCTION IMPACT

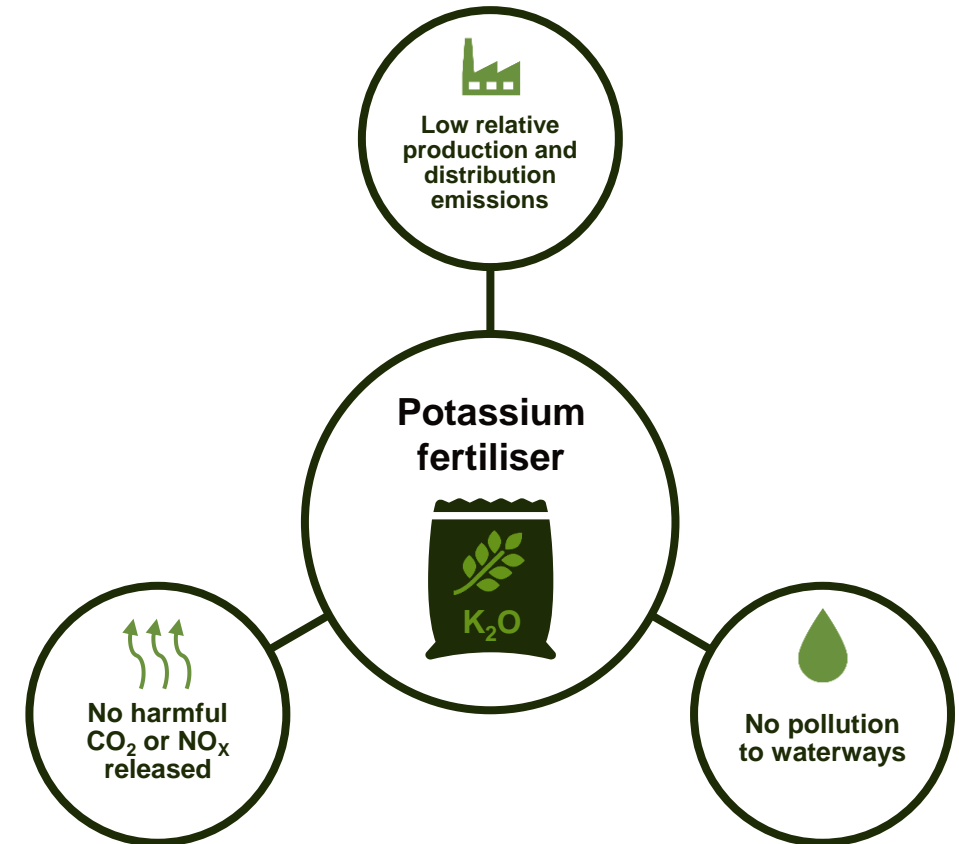


- Underground extraction results in less surface disturbance for low impact mining
- Proposed processing methods utilising $MgCl_2$ brine to return insoluble tailings into historic mine voids
- Targeting locally sourced renewable energy supply; approximately 50% of German grid power currently from renewable sources²
- Proximity and rapid access to target markets = low freight-related CO_2 supply impacts vs competitors in Canada and eastern Europe

 **Potash is a low emission, biosphere friendly fertiliser**

Note:

1. McKay, Dr Huw and Burnside, Dr Paul 17 June 2021, "Potash outlook and fundamentals 101" retrieved from
2. Retrieved from <https://www.cleanenergywire.org/news/germany-marks-first-ever-quarter-more-50-pct-renewable-electricity> on 10 October 2021



10 October 21



ROBUST DEVELOPMENT STRATEGY

Advancing rapidly



**SOUTH
HARZ
POTASH** LTD.

The starting base

Unlocking the significant value in our assets

CONCEPT STUDIES COMPLETED ACROSS ALL MINING LICENCES

4

POTENTIAL PROJECT
AREAS IDENTIFIED

OHMGEBIRGE IDENTIFIED AS A STANDOUT STARTER PROJECT



MINING LICENCE	PROJECT	INFERRED RESOURCE
Ohmgebirge	O	261 Mt Sylvinite (42 Mt K ₂ O)
Muhlausen–Nohra (North)	M-N North	1,700 Mt Sylvinite/Carnallite/Kieserite (164 Mt K ₂ O)
Muhlausen–Nohra (South)	M-N South	2,668 Mt Sylvinite/Carnallite (290 Mt K ₂ O)
Ebeleben	E	577 Mt Sylvinite/Carnallite (69 Mt K ₂ O)

OHMGEBIRGE: A NATURAL SELECTION

- Relatively **high Sylvinite content** for production of high-quality MOP
- Expected **low capital intensity**
- Access to **proximate infrastructure** (power, water gas, etc)
- Existing **nearby mine workings** remain open, nearest tunnel only **350m from Ohmgebirge** licence boundary
- **Operational workings within 300m of Resource** will be utilised for additional bulk sampling
- Proximity to derelict industrial land **far from residential areas**; potential to accelerate the permitting process
- **Large voids available for tailings disposal** from historical mining activities

The project definition

Resource upgrade drilling and Scoping Study

SYSTEMATICALLY ADVANCING THE SOUTH HARZ PROJECT



- Drilling permit application submitted 5 July 2021
- Upcoming two-hole diamond drilling program at Project O in Q4 2021 / Q1 2022
- Targeted to upgrade Project O resources to Indicated status – Q1 2022
- Project O Scoping Study targeted for completion in Q1 2022
- Rapid transition to Feasibility Study on Project O
- Potential for similar upgrade drilling programs across three projects through 2H 2022

ACTIVITY (CALENDAR YEAR)	Q421	Q122	Q222	Q322	Q422
South Harz Potash Resource elevation					
Confirmatory drill permitting	X				
Confirmatory drilling	X	X			
Core analysis/evaluation		X			
Planned Mineral Resource upgrade		X			
Project O development					
Scoping study		X			
Strategic project analysis		X			
Feasibility Study					
ESIA					

The low-risk path to production

Attractive project development and financing attributes

- Clearly defined evaluation, funding and development phases
- Outstanding asset domicile – first world, historic mining region and pro development government focus
- Strongly differentiable from permitting challenges faced in other western European jurisdictions (e.g. Spain)
- General appetite of European development banks to drive financing of new agriculture and fertiliser projects
- Expected relative low capital intensity of development – shallow depth, established integrated infrastructure
- Fundamentally different and substantially lower project execution risks from Australian SOP developments

EVALUATION



- Detailed initial scoping work complete
- Ohmgebirge identified as a standout starter project
- Encouraging results pointing to fast, low-cost production potential

FUNDING



- Expected to generate development bank debt funding
- Modular growth = funding advantages

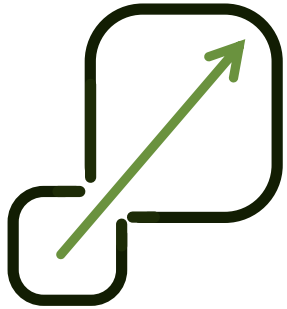
DEVELOPMENT



- Fast track development
- Simple, well understood extraction and processing
- Focus on leveraging extensive, local salt technology IP

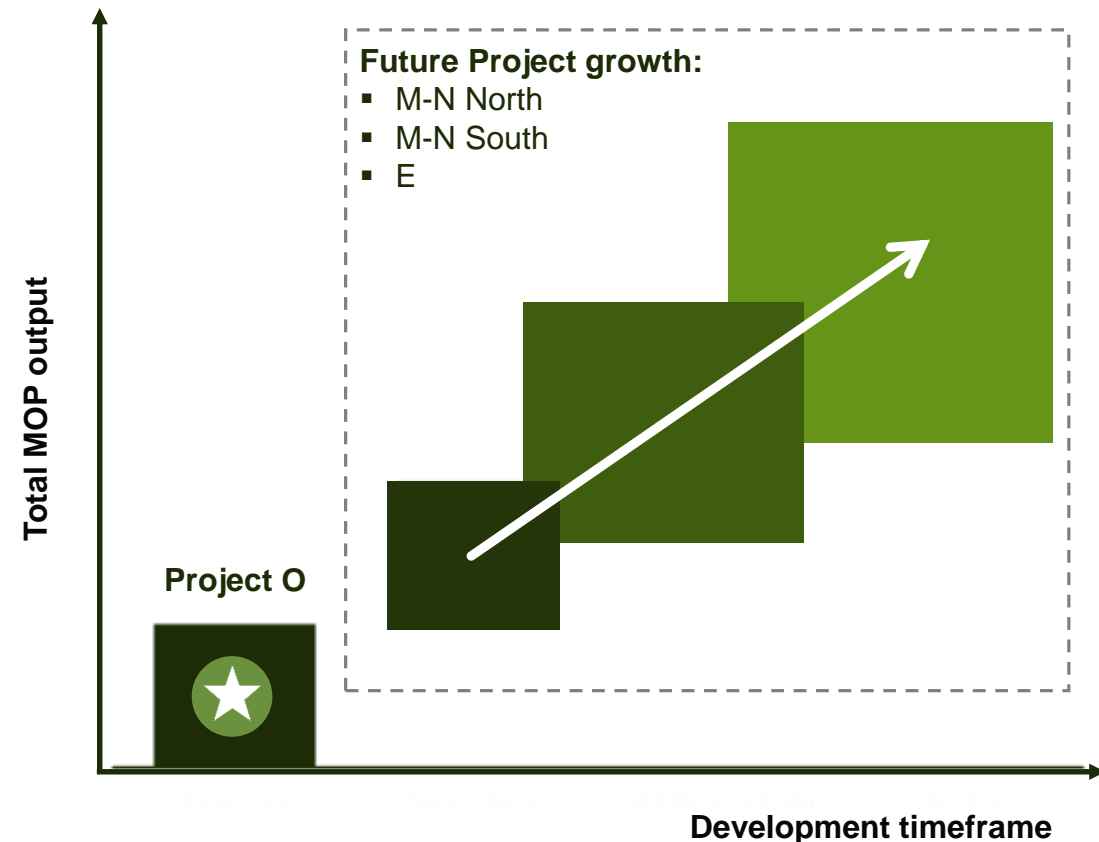
The long-term potential

High scalability and flexibility of development approach



ABILITY TO GROW IN A MODULAR, CAPITAL EFFICIENT FASHION

- A key differentiating feature of our asset profile
- Provides capital efficiency
- Lower-risk approach
- Growth timed to match market demand
- Substantial in-situ leverage and real option value
- Ensures relevance, corporate appeal and maximisation of long term cost competitiveness





PREMIER POTASH EXPOSURE



**SOUTH
HARZ
POTASH** LTD.

South Harz Potash

A compelling investment proposition



5.3
billion
tonnes

LARGE-SCALE MINERAL RESOURCE

- 5.3 Bt for 567 Mt contained K_2O
- Comparability to BHP's Jansen
- Huge scalability and real option value



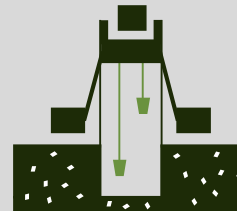
CONVENTIONAL GEOLOGY

- Mineralisation at shallow depth
- Thick ore body with consistent mineralisation
- Expected low capital intensity of development



ENVIRONMENTALLY ATTRACTIVE

- An environmentally attractive fertiliser product
- Expected low relative emissions production and delivery footprint



SIMPLE MINERAL EXTRACTION

- A simple, well understood mineral extraction process
- Sharply differentiable from SOP development risk



A LARGE GROWING MARKET

- Delivering needed local, secure, baseload MOP capacity for Europe – a supplier of choice
- Direct leverage to a defining mega-trend – food security



A HIGHLY ATTRACTIVE LOCATION

- Located in a safe, stable, pro-development region
- Deep potash mining history, skilled labour and modern, integrated infrastructure



APPENDIX: MINERAL RESOURCE ESTIMATES



**SOUTH
HARZ
POTASH** LTD.

Mineral Resources estimates

Inferred|100% interest

HORIZON	Resource (Mt)	K ₂ O (%)	K ₂ O (Mt)
Ohmgebirge ¹			
Sylvinite	261	14.0	36
Carnallite	64	9.8	6
Nohra-Elende ²			
Sylvinite	101	14.2	14
Carnallite	1,597	9.4	150
Mühlhausen-Küllstedt ³			
Sylvinite	834	12.1	101
Carnallite	296	8.2	24
Ebeleben ⁴			
Sylvinite	324	15.6	50
Carnallite	253	7.5	19
Küllstedt			
Sylvinite	333	13.0	43
Carnallite	1,205	10.1	122
Total JORC Inferred Mineral Resource	5,268	10.8	567

Note: 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 the previous market announcements

1. Ohmgebirge: ASX announcement 23 December 2019

2. Nohra-Elende: ASX announcements 13 November 2018 and 23 September 2020

3. ASX announcement 16 October 2018

4. ASX announcement 3 April 2018



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