2023 ANNUAL GENERAL MEETING

Dear Shareholder

Notice is hereby given that the 2023 Annual General Meeting (**Meeting**) of **South Harz Potash Ltd** (ASX:SHP) (South Harz) will be held as a physical meeting at:

Quest Kings Park,

54 Kings Park Road

West Perth, WA 6005

Thursday 26 October 2023 at 3:00pm (AWST)

In accordance with section 253RA(2) of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice to shareholders unless a shareholder has requested a hard copy. A copy of the Notice of Meeting (NOM) is available on the Company's website at

www.southharzpotash.com

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Pty Limited, using any of the following methods:

Easiest method

By mobile Scan the QR code on your proxy form with the camera on your mobile device and follow the prompts.

Other methods

Online https://investor.automic.com.au/#/loginsah

By mail Share Registry – Automic Pty Limited,

GPO Box 5193, Sydney NSW 2001, Australia

Your proxy voting instruction must be received by 3:00pm (AWST) on 24 October 2023, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The NOM is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the NOM please contact the Company Secretary on +61 408 447 493.

Yours sincerely



Ian Farmer
Chairman

For personal use only

For personal use only

SOUTH HARZ POTASH LTD

ACN 153 414 852

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00pm (WST)

DATE: 26 October 2023

PLACE: Quest Kings Park, 54 Kings Park Road, West Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm (WST) on 24 October 2023.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND ACCOUNTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023, together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – SPILL RESOLUTION

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 2.

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:*
>
> *(a) the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and*
>
> *(b) all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and*
>
> *(c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting."*

A voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR SEAMUS CORNELIUS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Seamus Cornelius, a Director who was appointed casually on 21 August 2023, retires, and being eligible, is elected as a Director."*

For personal use only

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR IAN FARMER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Ian Farmer, a Director, retires by rotation, and being eligible, is re-elected as a Director."

6. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR LEONARD JUBBER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Leonard Jubber, a Director, retires by rotation, and being eligible, is re-elected as a Director."

7. RESOLUTION 6 – ISSUE OF SHARES TO DIRECTORS IN LIEU OF DIRECTOR FEES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue:

(a) 265,212 Shares to Mr Reinout Koopmans (or his respective nominee/s);

(b) 303,318 Shares to Mr Rory Luff (or his respective nominee/s);

(c) 303,318 Shares to Mr Leonard Jubber (or his respective nominee/s);

(d) 266,678 Shares to Mr Ian Farmer (or his respective nominee/s); and

(e) 119,511 Shares to Seamus Cornelius (or his respective nominee/s),

on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF INCENTIVE OPTIONS TO ALL DIRECTORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue:

(a) 1,591,000 Options to Mr Reinout Koopmans (or his respective nominee/s);

(b) 1,591,000 Options to Mr Rory Luff (or his respective nominee/s);

(c) 1,591,000 Options to Mr Leonard Jubber (subject to the passing of Resolution 5) (or his respective nominee/s);

For personal use only

(d) 9,834,000 Options to Mr Luis da Silva (or his respective nominee/s); and

(e) 2,983,000 Options to Mr Ian Farmer (subject to the passing of Resolution 4) (or his respective nominee/s); and

(f) 1,591,000 Options to Mr Seamus Cornelius) (subject to the passing of Resolution 3) (or his respective nominee/s),

on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – APPROVAL TO ISSUE BONUS SHARES TO KEY MANAGEMENT PERSONNEL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue:

(a) 2,048,495 Shares to Mr Luis da Silva (or his respective nominee/s);

(b) 257,358 Shares to Mr Andrew Robertson (or his respective nominee/s);

(c) 1,252,078 Shares to Ms Babette Winter (or her respective nominee/s); and

(d) 1,055,072 Shares to Mr Lawrence Berthelet (or his respective nominee/s),

on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,493,996 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 60,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

For personal use only

12. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,123,480 Options on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

13. RESOLUTION 12 – APPROVAL FOR DIRECTOR PARTICIPATION IN PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue:*
>
> *(a)* 1,333,333 Shares and 333,333 Options to Mr Reinout Koopmans (or his respective nominee/s);
>
> *(b)* 2,666,667 Shares and 666,667 Options to Mr Rory Luff (or his respective nominee/s);
>
> *(c)* 1,000,000 Shares and 250,000 Options to Mr Leonard Jubber (or his respective nominee/s);
>
> *(d)* 2,500,000 Shares and 625,000 Options to Mr Luis da Silva (or his respective nominee/s); and
>
> *(e)* 666,667 Shares and 166,667 Options to Mr Ian Farmer (or his respective nominee/s),
>
> *on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

14. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO MORGANS CORPORATE LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the Company to ratify the issue of 5,478,790 Options to Morgans Corporate Limited on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

15. RESOLUTION 14 – APPROVAL TO ISSUE OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

For personal use only

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 8,249,984 Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

16. RESOLUTION 15 – RATIFICATION OF ISSUE OF OPTIONS –SEAMUS CORNELIUS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Options to Seamus Cornelius on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

17. RESOLUTION 16 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

For personal use only

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons: (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either: (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 2– Spill Resolution	A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons: (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either: (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 7 – Issue of Incentive Options to all Directors	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 8– Approval to issue bonus shares to Key Management Personnel	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

For personal use only

For personal use only

Resolution 6(a)– Approval to issue Shares in lieu of Director fees – Mr Reinout Koopmans	Reinout Koopmans (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6(b) – Approval to issue Shares in lieu of Director fees – Mr Rory Luff	Rory Luff (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6(c)– Approval to issue Shares in lieu of Director fees - Mr Leonard Jubber	Leonard Jubber (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6(d) – Approval to issue Shares in lieu of Director fees – Mr Ian Farmer	Ian Farmer (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6(e)– Approval to issue Shares in lieu of Director fees - Mr Seamus Cornelius	Seamus Cornelius (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 7(a)– Approval to issue incentive Options - Mr Reinout Koopmans	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Reinout Koopmans) or an associate of that person or those persons.
Resolution 7(b) – Approval to issue incentive Options - Mr Rory Luff	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Rory Luff) or an associate of that person or those persons.
Resolution 7(c)– Approval to issue incentive Options - Mr Leonard Jubber	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Leonard Jubber) or an associate of that person or those persons.
Resolution 7(d) – Approval to issue incentive Options - Mr Luis Da Silva	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Luis da Silva) or an associate of that person or those persons.
Resolution 7(e) – Approval to issue incentive Options - Mr Ian Farmer	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Ian Farmer) or an associate of that person or those persons.
Resolution 7(f) – Approval to issue incentive Options - Mr Seamus Cornelius	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Seamus Cornelius) or an associate of that person or those persons.
Resolution 8(a)– Issue of Shares to Key Management Personnel – Mr Luis da Silva	Luis da Silva (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8(b) – Issue of Shares to Key Management Personnel – Mr Andrew Robertson	Andrew Robertson (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8(c)– Issue of Shares to Key Management Personnel – Ms Babette Winter	Babette Winter (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 8(d)– Issue of Shares to Key Management Personnel – Mr Lawrence Berthelet	Lawrence Berthelet (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 9– Ratification of prior issue of Shares – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

For personal use only

Resolution 10– Ratification of prior issue of Shares – Listing Rule 7.1A	
Resolution 11– Ratification of prior issue of Options – Listing Rule 7.1	
Resolution 12(a)– Approval for Director Participation in Placement - Mr Reinout Koopmans	Reinout Koopmans (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 12(b)– Approval for Director Participation in Placement - Mr Rory Luff	Rory Luff (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 12(c)– Approval for Director Participation in Placement - Mr Leonard Jubber	Leonard Jubber (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 12(d)– Approval for Director Participation in Placement - Mr Luis Da Silva	Luis da Silva (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 12(e)– Approval for Director Participation in Placement - Mr Ian Farmer	Ian Farmer (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 13– Ratification of prior issue of Options to Morgans Corporate Limited	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 14– Approval to issue Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely a participant in the SPP) or an associate of that person (or those persons).
Resolution 15– Ratification of prior issue of Options – Seamus Cornelius	A person who participated in the issue or is a counterparty to the agreement being approved (namely Seamus Cornelius) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete the Proxy Form and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 408 447 493.

For personal use only

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the *Corporations Act*, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.southharzpotash.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The *Corporations Act* requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

For personal use only

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were more than 25%. Accordingly, the Spill Resolution will be relevant for this Meeting if at least 25% of the votes cast on this Resolution are voted against adoption of the Remuneration Report. Refer to Resolution 2 and Section 3 for further information.

3. RESOLUTION 2 – SPILL RESOLUTION

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 2.

3.1 General

The *Corporations Act* requirements for this Resolution to be put to vote are set out in Section 2.2.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons who will seek election as directors of the Company at the Spill Meeting.

3.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the voting restrictions applying to Resolution 1 apply in the same manner to this Resolution.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR SEAMUS CORNELIUS

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Seamus Cornelius, having been appointed by other Directors on 21 August 2023 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Mr Cornelius is the current Executive Chairman of Danakali Limited (ASX:DNK) (**Danakali**), and has been a director since July 2013. Over that time he led the advancement of Danakali's 50% interest in the Colluli Potash Project in Eritrea including the completion of progressive feasibility studies, environmental impact

For personal use only

assessments and regulatory approvals, to its eventual sale to Sichuan Road and Bridge Group Co Ltd in early 2023 for US$166 million in total cash consideration.

Mr Cornelius is a corporate lawyer and former partner of one of Australia's leading international law firms. He brings extensive legal and commercial experience in the execution of cross-border transactions, particularly in the resources and finance sectors.

Mr Cornelius is currently also the Non-Executive Chairman of Buxton Resources Limited (ASX:BUX), Element 25 Limited (ASX:E25) and Duketon Mining Limited (ASX:DKM)

4.3 Independence

Mr Cornelius has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Cornelius will be an independent Director.

4.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Cornelius.

Mr Cornelius has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

4.5 Board recommendation

The Board has reviewed Mr Cornelius's performance since his appointment to the Board and considers that Mr Cornelius's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Cornelius and recommends that Shareholders vote in favour of this Resolution.

5. RESOLUTIONS 4 AND 5 – RE-ELECTION OF DIRECTORS – MR IAN FARMER AND MR LEONARD JUBBER

5.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Ian Farmer, who has served as a Director since 7 September 2020 and was last re-elected on 16 December 2021, retires by rotation and seeks re-election.

Mr Leonard Jubber, who was appointed by other Directors on 1 March 2021, and last re-elected on 16 December 2021, retires by rotation and seeks re-election.

For personal use only

5.2 Qualifications and other material directorships – Mr Ian Farmer

Mr Farmer is a UK based, highly experienced mining executive. He served as Chief Executive Officer of Lonmin PLC, the third largest platinum miner globally, between 2008 and 2012, where he oversaw a period of significant transformation, both operationally and financially. During his 26 years at Lonmin PLC and its parent company Lonrho PLC, Mr Farmer held various other financial and strategic positions, including Chief Strategy Officer from 2006-2008.

Mr Farmer led the acquisition of various junior mining projects and integrated them into the group. He has been a Non-Executive Director of The Royal Marsden NHS Foundation Trust in the United Kingdom since 2014, and previously was a Non-Executive Director of VTTI Energy Partners LP (2014 - 2017).

Mr Farmer has not held any other directorships in listed companies during the last 3 years.

5.3 Qualifications and other material directorships – Mr Leonard Jubber

Len Jubber, a Civil Engineer, was recently the Chief Executive of Kalium Lakes and was Chief Executive of Bannerman Resources Ltd, a uranium development company for eight years. Prior executive roles include Chief Executive of Perilya Ltd, a zinc and lead producer, and Chief Operating Officer of Oceana Gold Ltd. In a mining career spanning more than 30 years, he brings a wealth of technical, commercial and corporate experience.

Mr Jubber has not held any other directorships in listed companies during the last 3 years.

5.4 Independence

If elected the Board considers Mr Farmer and Mr Jubber will each be an independent Director.

5.5 Board recommendation

The Board has reviewed Mr Farmer and Mr Jubber's performance since their appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Farmer and Mr Jubber and recommends that Shareholders vote in favour of Resolutions Resolution 4 and Resolution 5, respectively.

6. RESOLUTION 6 - APPROVAL TO ISSUE SHARES IN LIEU OF DIRECTOR FEES

6.1 General

The Company has agreed, subject to obtaining Shareholder approval to issue Shares to Mr Reinout Koopmans, Mr Rory Luff, Mr Leonard Jubber, Mr Ian Farmer and Mr Seamus Cornelius (together, the **Related Parties**):

(a) 265,212 Shares to Dr Koopmans (or his nominee/s) in lieu of $8,739 in director's fees owing to Dr Koopmans (the subject of Resolution 6(a);

(b) 303,318 Shares to Mr Luff (or his nominee/s) in lieu of $10,000 in director's fees owing to Mr Luff (the subject of Resolution 6(b);

For personal use only

(c) 303,318 Shares to Mr Jubber (or his nominee/s) in lieu of $10,000 in director's fees owing to Mr Jubber (the subject of Resolution 6(c);

(d) 266,678 Shares to Mr Farmer (or his nominee/s) in lieu of $8,790 in director's fees owing to Mr Farmer (the subject of Resolution 6(d); and

(e) 119,511 Shares to Mr Cornelius (or his nominee/s) in lieu of $5,000 in director's fees owing to Mr Cornelius (the subject of Resolution 6(e),

(together, the **Fee Shares**).

The purpose of the proposed issues to the Related Parties is to replace the obligation of the Company to pay Director fees and salary equivalent to Director fees to the Related Parties, for certain periods.

Resolution 6 seeks Shareholder approval for the issue of the Fee Shares.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the *Corporations Act*; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The issue of Fee Shares to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being Director.

In respect of Resolution 6(a), the Directors (other than Dr Koopmans who has a material personal interest in Resolution 6(a) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 6(a) because the agreement to issue the Fee Shares constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 6(b), the Directors (other than Mr Luff who has a material personal interest in Resolution 6(b)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 6(b) because the agreement to issue the Fee Shares constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 6(c), the Directors (other than Mr Jubber who has a material personal interest in Resolution 6(c) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 6(c) because the agreement to issue the Fee Shares constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 6(d), the Directors other than Mr Farmer who has a material personal interest in Resolution 6(d) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 6(d) because the agreement to issue the Fee Shares constitutes reasonable remuneration payable to the Related Parties.

For personal use only

In respect of Resolution 6(e), the Directors (other than Mr Cornelius who has a material personal interest in Resolution 6(e) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 6(e) because the agreement to issue the Fee Shares constitutes reasonable remuneration payable to the Related Parties.

6.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

10.11.1 a related party;

10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Related Parties fall within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6(a) to Resolution 6(e) require Shareholder approval for the issue of the Fee Shares under and for the purposes of Listing Rule 10.11.

6.4 Technical information required by Listing Rule 14.1A

If each of Resolutions 6(a) to Resolution 6(e)are passed, the Company will be able to proceed with the issue of the Fee Shares within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Fee Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Fee Shares will not use up any of the Company's 15% annual placement capacity.

If any of Resolutions 6(a) to (e) are not passed, the Company will not be able to proceed with the issue of the Fee Shares for that Resolution and the Company will be required to consider other mechanisms to properly remunerate the respective Related Parties, including the payment of the relevant director's fees in cash, which may not be as cost effective for the Company.

Resolutions 6(a) to Resolution 6(e) seek approval for individual issues and are not dependent on one another.

For personal use only

6.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 6(a) to Resolution 6(e):

(a) the Fee Shares will be issued to the Related Parties (or their respective nominees), who fall within the category set out in Listing Rule 10.11.1, as each Related Party is a related party of the Company by virtue of being a Director;

(b) a maximum of1,258,037 Fee Shares will be issued to the Related Parties (or their respective nominees) as follows:

Resolution	Related Party	Fee Shares
Resolution 6(a)	Dr Koopmans (or his nominee/s)	**265,212**
Resolution 6 (b)	Mr Luff (or hisnominee/s)	**303,318**
Resolution 6 (c)	Mr Jubber(or his nominee/s)	**303,318**
Resolution 6(d)	Mr Farmer (or his nominee/s)	**266,678**
Resolution 6 (e)	Mr Cornelius (or his nominee/s)	**119,511**

(c) Fee Shares will be issued for nil as the Fee Shares are being issued at the deemed issue price of $0.03 in lieu of outstanding directors' fees totalling $41,765 accrued and owing to the Related Parties for the period between 1 July 2023 and 30 September 2023, comprising:

(i) $8,743 in director's fees owing to Dr Koopmans;

(ii) $10,000 in director's fees owing to Mr Luff;

(iii) $10,000 in director's fees owing to Mr Jubber;

(iv) $8,791 in director's fees owing to Mr Farmer; and

(v) $4,231 in director's fees owing to Mr Cornelius.

(d) the Company will not receive any consideration in respect of the issue of the Fee Shares. However, the issue of the Fee Shares will result in the Company converting debt owing to the Related Parties to equity as set out above;

(e) the purpose of the issue of the Fee Shares is to preserve the cash reserves of the Company and convert debt accrued and owing to the Related Parties (being, the outstanding directors' fees for the period between 1 July 2023 and 30 September 2023 to equity;

(f) the Fee Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;

(g) the Fee Shares are being issued in lieu of director fees under agreements between the Company and each of the Related Parties pursuant to which the Company and each Related Party has agreed, subject to shareholder approval, to convert the outstanding director fees set out

For personal use only

above into Shares at the deemed conversion prices also set out above; and

(h) a voting exclusion statement is included in this Notice for Resolution 6.

7. RESOLUTION 7 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO ALL DIRECTORS

7.1 Background

The Company received Shareholder approval for the adoption of the Option Plan on 4 May 2021 and has agreed to issue Incentive Options to Messrs Koopmans, Luff, Jubber, da Silva, Farmer and Cornelius (or their nominees) (**Directors**) pursuant to the Option Plan and on the terms and conditions set out below.

This Resolution seeks Shareholder approval for the issue of Options to both executive and non-executive directors, comprising of 19,181,000 Options to the Directors as follows:

(a) 1,591,000 Options to Dr Koopmans (or his respective nominee/s) (the subject of Resolution 7(a));

(b) 1,591,000 Options to Mr Luff (or his respective nominee/s) (the subject of Resolution 7(b));

(c) 1,591,000 Options to Mr Jubber (or his respective nominee/s) (subject to the passing of Resolution 5) (the subject of Resolution 7(c));

(d) 9,834,000 Options to Mr da Silva (or his respective nominee/s) (the subject of Resolution 7(d)); and

(e) 2,983,000 Options to Mr Farmer (or his respective nominee/s) (subject to the passing of Resolution 4) (the subject of Resolution 7(e)); and

(f) 1,591,000 Options to Mr Cornelius (or his respective nominee/s) (subject to the passing of Resolution 3) (the subject of Resolution 7(f)),

(together, the **Incentive Options**).

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the *Corporations Act*; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

A summary of Chapter 2E of the *Corporations Act* is set out in Section 6.2 above.

In respect of Resolution 7(a), the Directors (other than Dr Koopmans who has a material personal interest in Resolution 7(a)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of

For personal use only

Resolution 7(a) because the agreement to issue the Incentive Options constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 7(b), the Directors (other than Mr Luff who has a material personal interest in Resolution 7(b)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 7(b) because the agreement to issue the Incentive Options constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 7(c), the Directors (other than Mr Jubber who has a material personal interest in Resolution 7(c)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 7(c) because the agreement to issue the Incentive Options constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 7(d), the Directors (other than Mr da Silva who has a material personal interest in Resolution 7(d)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 7(d) because the agreement to issue the Incentive Options constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 7(e), the Directors (other than Mr Farmer who has a material personal interest in Resolution 7(e)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 7(e) because the agreement to issue the Incentive Options constitutes reasonable remuneration payable to the Related Parties.

In respect of Resolution 7(f), the Directors (other than Mr Cornelius who has a material personal interest in Resolution 7(f)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 7(f) because the agreement to issue the Incentive Options constitutes reasonable remuneration payable to the Related Parties.

7.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

10.14.1 a director of the entity;

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Options to the Directors falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 7(a) to Resolution 7(f) seek the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Listing Rule 10.14.

7.4 Technical information required by Listing Rule 14.1A

If each of the Resolutions 7(a) to (f) are passed, the Company will be able to proceed with the issue of the Incentive Options to the Directors under the Option Plan within three years after the date of the Meeting (or such later date as

For personal use only

permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If any of Resolutions 7(a) to (f) are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Directors under the Option Plan and may need to seek to remunerate the Directors by another means.

Resolution 7(f) is conditional on Resolution 3, Resolution 7(e) is conditional on Resolution 4 and Resolution 7(c) is conditional on Resolution 5 being passed. Therefore, if Resolution 3, Resolution 4 and Resolution 5 are not passed, the Company will not be able to proceed with the issue of Incentive Options to Mr Cornelius, Mr Farmer and Mr Jubber.

7.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 7:

(a) the Incentive Options will be issued to the Directors (or their respective nominees), who falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;

(b) a maximum of 19,181,000 Incentive Options will be issued to the Directors (or their respective nominees) as follows:

Resolution	Related Party	Incentive Options
Resolution 7(a)	Dr Koopmans (or his nominee)	1,591,000
Resolution 7(b)	Mr Luff (or hisnominee)	1,591,000
Resolution 7(c)	Mr Jubber (or his nominee)	1,591,000
Resolution 7(d)	Mr da Silva (or his nominee)	9,834,000
Resolution 7(e)	Mr Farmer (or his nominee)	2,983,000
Resolution 7(f)	Mr Cornelius (or his nominee)	1,591,000

(c) the current total remuneration package for:

(i) Dr Koopmans is $53,064 comprising of directors' fees of $40,000 and share-based payments of $13,064. If the Incentive Options are issued, the total remuneration package of Dr Koopman will increase by $4,667 to $57,731, being the value of the Incentive Options (based on the Black Scholes methodology);

(ii) Mr Luff is $53,064 comprising of directors' fees of $40,000 and share-based payments of $13,064. If the Incentive Options are issued, the total remuneration package of Mr Luff will increase by

For personal use only

$4,667 to $57,731, being the value of the Incentive Options (based on the Black Scholes methodology);

(iii) Mr Jubber is $55,283 comprising of directors' fees of $40,000 and share-based payments of $15,283. If the Incentive Options are issued, the total remuneration package of Mr Jubber will increase by $4,667 to $59,950 being the value of the Incentive Options (based on the Black Scholes methodology);

(iv) Mr da Silva is $509,489 comprising of salary of $432,692, and share-based payments of $76,797. If the Incentive Options are issued, the total remuneration package of Mr da Silva will increase by $28,846 to $538,335, being the value of the Incentive Options (based on the Black Scholes methodology);

(v) Mr Farmer is $94,495 comprising of directors' fees of $75,000, and share-based payments of $24,495. If the Incentive Options are issued, the total remuneration package of Mr Farmer will increase by $8,750 to $108,245, being the value of the Incentive Options (based on the Black Scholes methodology);

(vi) Mr Cornelius is $34,411 comprising of directors' fees of $34,411 and share-based payments of $3,220. If the Incentive Options are issued, the total remuneration package of Mr Cornelius will increase by $4,667 to $42,298, being the value of the Incentive Options (based on the Black Scholes methodology);

(d) the following Options have previously been issued to Directors for nil cash consideration under the Option Plan;

(i) 10,452,000 Options have previously been issued to Mr Farmer for nil cash consideration under the Option Plan;

(ii) 1,797,000 Options have previously been issued to Dr Koopmans for nil cash consideration under the Option Plan;

(iii) 1,797,000 Options have previously been issued to Mr Luff for nil cash consideration under the Option Plan;

(iv) 2,797,000 Options have previously been issued to Mr Jubber for nil cash consideration under the Option Plan;

(v) 8,000,000 Options have previously been issued to Mr da Silva for nil cash consideration under the Plan;

(vi) 1,797,000 Options have previously been issued to former director, Mr Hansjoerg Plaggemars for nil cash consideration under the Option Plan; and

(vii) 1,000,000 Options have previously been issued to former director, Mr Lawrence Berthelet for nil cash consideration under the Plan.

(e) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 2.

(f) the Company has agreed to issue the Incentive Options to the Directors subject to Shareholder approval for the following reasons:

For personal use only

(i) the Incentive Options are unquoted, therefore, the issue of the Incentive Options has no immediate dilutionary impact on Shareholders;

(ii) the deferred taxation benefit which is available to the Directors in respect of an issue of Incentive Options is also beneficial to the Company as it means the Directors are not required to immediately sell the Incentive Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and

(iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;

(g) the number of Incentive Options to be issued to each of the Directors has been determined based upon a consideration of:

(i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

(ii) the remuneration of the Directors;

(iii) incentives to attract and ensure continuity of service/retain the service of the Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves; and

(iv) the Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed;

(h) The value of the Incentive Options is as follows:

Director	Options	Value per Incentive Option	Value of Incentive Options
Mr Farmer	2,983,000	$0.022	$65,626
Dr Koopmans	1,591,000	$0.022	$35,000
Mr Luff	1,591,000	$0.022	$35,000
Mr da Silva	9,834,000	$0.022	$216,348
Mr Jubber	1,591,000	$0.022	$35,000
Mr Cornelius	1,591,000	$0.022	$35,000
Total	**19,181,000**		**$421,974**

The value of the Incentive Options was calculated using a Black & Scholes Option Pricing Model with the exercise price set as a 75% premium to the current share price as at 15 September 2023.

For personal use only

The pricing methodology is set out in Schedule 1.

(i) the Incentive Options will be issued to the Directors no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Options will be issued on one date;

(j) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of funds received on exercise of the Incentive Options);

(k) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for the Directors to align the interests of the Directors with those of Shareholders, to motivate and reward the performance of the Directors in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors;

(l) a summary of the material terms and conditions of the Option Plan is set out in Schedule 3;

(m) no loans are being made to the Directors in connection with the acquisition of the Incentive Options;

(n) details of any Incentive Options issued under the Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and

(o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Incentive Options under the Option Plan who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

8. RESOLUTION 8 – ISSUE OF BONUS SHARES TO KEY MANAGEMENT PERSONNEL

8.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to:

(a) 2,048,495 Shares to Mr Luis da Silva (or his respective nominee/s) as a bonus to his base salary (the subject of Resolution 8(a));

(b) 257,358 Shares to Mr Andrew Robertson (or his respective nominee/s) as a bonus to his base salary (the subject of Resolution 8(b));

(c) 1,252,078 to Ms Babette Winter (or her respective nominee/s) as a bonus to her base salary (the subject of Resolution 8(c)); and

(d) 1,055,072 to Mr Lawrence Berthelet (or his respective nominee/s) as a bonus to his base salary (the subject of Resolution 8(d)),

(together, **Bonus Shares**).

For personal use only

Resolution 8 seeks Shareholder approval for the issue of Bonus Shares to Mr da Silva, Mr Robertson, Ms Winter and Mr Berthelet (together, the **Bonus Share Recipients**).

8.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the *Corporations Act*; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The issue of Bonus Shares will constitute giving a financial benefit and Mr da Silva is a related party of the Company by virtue of being a Director.

Mr Andrew Robertson, Ms Babette Winter and Mr Lawrence Berthelet are not related parties of the Company.

The Directors (other than Mr da Silva) who has a material personal interest in the Resolution 8 consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of the issue of Bonus Shares because the agreement to issue the Bonus Shares constitutes reasonable remuneration payable to the Bonus Share Recipients.

8.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

A summary of Listing Rule 10.11 is set out in Section 6.3 above.

The issue of Bonus Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 10.11.

8.4 Technical information required by Listing Rule 14.1A

If each of Resolution 8(a) to Resolution 8(d) is passed, the Company will be able to proceed with the issue of the Bonus Shares within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Bonus Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Bonus Shares will not use up any of the Company's 15% annual placement capacity.

8.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 8(a) to 8(d):

For personal use only

(a) the Bonus Shares will be issued to the Bonus Share Recipients (or their respective nominees). Of the Bonus Share Recipients, only Mr da Silva, falls within the category set out in Listing Rule 10.11.1, as he is a related party of the Company by virtue of being a Director;

(b) a maximum of 4,613,003 Bonus Shares will be issued to the Bonus Share Recipients as follows:

(i) 2,048,495 Shares will be issued to Mr da Silva (or his respective nominee/s);

(ii) 257,358 Shares will be issued to Mr Robertson (or his respective nominees);

(iii) 1,252,078 Shares will be issued to Ms Winter (or her respective nominee/s); and

(iv) 1,055,072 Shares will be issued to Mr Berthelet (or his respective nominee/s).

(c) Bonus Shares will be issued for nil as the Bonus Shares are being issued at the deemed issue price of $0.0345 as a bonus to each of the Bonus Share Recipients base salary;

(d) the Company will not receive any consideration in respect of the issue of the Bonus Shares;

(e) the purpose of the issue of the Bonus Shares is to remunerate and incentivise Mr da Silva.

(f) the current total remuneration package for Mr da Silva is outlined above at Section 7.5(c)(iv);

(g) the Bonus Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;

(h) the Bonus Shares are not being issued under an agreement; and

(i) a voting exclusion statement is included in this Notice for Resolution 8.

9. BACKGROUND TO RESOLUTIONS 9 - 11

9.1 General

On 2 August 2023, the Company announced that it had received binding commitments for a placement (**Placement**) and that the Company intended to offer all existing eligible shareholders the opportunity to subscribe for up to a maximum of $30,000 worth of Shares on the same terms as the Placement under a Share Purchase Plan (including a shortfall offer) (**SPP**) (together, the **Capital Raising**).

Under the Capital Raising, the Company has raised approximately $3,404,820.

On 10 August 2023, the Company issued of 80,493,996 Shares at an issue price of $0.03, together with one free attaching Option for every four Shares subscribed for and issued under the Placement to both new and existing sophisticated and

For personal use only

institutional investors to raise $2,414,820. The Securities were issued in the following manner:

(a) 20,493,996 Shares which were issued under the Company's placement capacity under the ASX Listing Rule 7.1 ($614,820) (ratification of these Shares are sought under Resolution 9 of this Notice);

(b) 60,000,000 Shares which were issued under the Company's placement capacity under the ASX Listing Rule 7.1A ($1,800,000) (ratification of these Shares are sought under Resolution 10 of this Notice); and

(c) 20,123,480 Options which were issued under the Company's placement capacity under the ASX Listing Rule 7.1 (ratification of these Options are sought under Resolution 11 of this Notice).

In addition to the $2,414,820 raised from the Placement, the Directors (other than Mr Cornelius) have made firm commitments of $245,000 to participate in the Placement. The Directors (other than Mr Cornelius) will be issued 8,166,667 Shares and 2,041,667 Options. The Options are subject to Shareholder approval to being sought under Resolutions 12(a) to 12(e).

On 10 August 2023, the Company dispatched the SPP booklet providing eligible Shareholders the opportunity to subscribe for up to a maximum of $30,000 worth of Shares on the same terms as the Placement to raise up to $500,000 with the ability to accept oversubscriptions. On 30 August 2023, the Company confirmed that the SPP had successfully closed and that the Company had accepted oversubscriptions, resulting in the SPP raising $990,000 through the issue of up to 32,999,937 Shares at an issue price of $0.03 per Share.

Eligible Shareholders that participated in the SPP are entitled to receive one free attaching Option for every four Shares subscribed and issued to them under the SPP. The Options under the SPP will be issued under a prospectus and are subject to Shareholder approval being sought under Resolution 16. Further terms and conditions of the SPP are set out in the SPP booklet dated 10 August 2023.

9.1 Morgans Corporate Limited

On 10 August 2023, the Company issued 5,478,790 Options to Morgans Corporate Limited (ACN 010 539 607) (**Morgans**) for investor relations services in respect of the Placement.

In addition the Options, the Company has paid Morgans a fee of $160,112 (exclusive of GST).

Shareholder approval to ratify the issue of the Options to Morgans is being sought under Resolution 13.

9.2 Use of Funds

The Company intends to apply the Capital Raising funds towards the following purposes:

(a) progression and completion of the PFS on South Harz's flagship Ohmgebirge Potash Development;

(b) environmental baseline study work and permitting process advancement;

For personal use only

(c) early commencement of select Ohmgebirge DFS workstreams; and

(d) general working capital (which include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, Director fees, rent, insurance and other associated costs).

10. RESOLUTIONS 9 TO 11 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

10.1 General

As set in Section 9.1 above, as part of the Capital Raising, the Company completed the issue of 80,496,996 Shares and 20,123,480 Options to raise $2,414,820 under the Placement.

Resolution 9 and 10 seek Shareholder ratification for the prior issue of 80,496,996 Shares.

Resolution 11 seeks Shareholder ratification for the prior issue of 20,123,480 Options.

The issue of the Shares and Options did not breach Listing rule 7.1 at the time of issue.

10.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12-month period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 December 2022.

The issue of the Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Shares.

The issue of the Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Options.

10.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

For personal use only

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares and the Options.

Resolutions 9 and Resolution 10 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

Resolution 11seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Options.

10.4 Technical information required by Listing Rule 14.1A

If Resolution 9 and 10 are passed, the Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Shares.

If Resolution 9 and 10 are not passed, the Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Shares.

If Resolution 11 is passed, the Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Options.

If Resolution 11 is not passed, the Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Options.

10.5 Technical information required by Listing Rule 7.5 – Shares

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 9 and 10:

(a) the Shares were issued to both new and existing professional and sophisticated investors who are clients of Morgans. The recipients were identified through a bookbuild process, which involved Morgans seeking expressions of interest to participate in the Capital Raising from non-related parties of the Company;

(b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Shares were:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

(c) 80,493,996 Shares were issued and comprised:

For personal use only

(i) 20,493,996 Shares which were issued under the Company's placement capacity under the ASX Listing Rule 7.1 (the subject of Resolution 9); and

(ii) 60,000,000 Shares which were issued under the Company's placement capacity under the ASX Listing Rule 7.1A (the subject of Resolution 10);

(d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(e) the 80,493,996 Shares were issued on 10 August 2023;

(f) the issue price of the Shares was $0.03. The Company has not and will not receive any other consideration for the issue of the Shares;

(g) the purpose of the issue of the Shares was to raise $2,414,820 which will be applied towards the activities set out in Section 9.2; and

(h) the Shares were not issued under an agreement.

10.6 Technical information required by Listing Rule 7.5 – Options

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 11:

(a) the Options were issued to participants of the Placement and were identified by Morgans in the manner set out in Section 10.5(a);

(b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Options were:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

(c) the 20,123,480 Options were issued on 10 August 2023;

(d) the terms and conditions of the Options are set out in Schedule 4;

(e) the issue price was nil, as the Options were free attaching to the Shares in connection with the Placement. No funds will be raised from the issue of the Options (other than in respect of funds received on exercise of the Options);

(f) the purpose of the issue of the Options is to incentivise participants in the Placement; and

(g) the Options are not being issued under an agreement.

For personal use only

11. RESOLUTIONS 12(A) TO 12(E) – APPROVAL FOR DIRECTOR PARTICIPATION IN THE PLACEMENT

11.1 General

As set out in Section 9.1, Resolutions 12(a) to 12(e) seek Shareholder approval for the Directors (other than Mr Cornelius) to participate in the Placement (**Director Participation**), for an aggregate of 8,166,667 Shares and 1,791,667 Options on the same terms as the Placement (together, the **Director Participation Securities**) as follows:

(a) 1,333,333 Shares and 333,333 Options to Dr Koopmans (or his nominee(s)) (the subject of Resolution 12(a));

(b) 2,666,667 Shares and 666,667 Options to Mr Luff (or his nominee(s)) (the subject of Resolution 12(b));

(c) 1,000,000 Shares and 250,000 Options to Mr Jubber (or his nominee(s)) (the subject of Resolution 12(c));

(d) 2,500,000 Shares and 625,000 Options to Mr da Silva (or his nominee(s)) (the subject of Resolution 12(d)); and

(e) 666,667 Shares and 166,667 Options to Mr Farmer (or his nominee(s)) (the subject of Resolution 12(e)).

Should Resolution 12(a) to 12(e) be passed, the Company will receive an additional $245,000 from the Director Participation to be applied towards the activities set out in Section 9.2.

11.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the *Corporations Act*; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

A summary of Chapter 2E of the *Corporations Act* is se tout in Section 6.2 above.

The issue of the Securities to the Related Parties (or their nominee(s)) constitutes giving a financial benefit and each of the Related Parties are related parties of the Company by virtue of each being a director of the Company.

In respect of Resolution 12(a), the Directors (other than Dr Koopmans who has a material personal interest in Resolution 12(a)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 12(a) because the Securities will be issued on the same terms as the Securities issued under the Placement to non-related party participants and as such, the giving of the financial benefit is on arm's length terms.

For personal use only

In respect of Resolution 12(b), the Directors (other than Mr Luff who has a material personal interest in Resolution 12(b)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 12(b)because the Securities will be issued on the same terms as the Securities issued under the Placement to non-related party participants and as such, the giving of the financial benefit is on arm's length terms.

In respect of Resolution 12(c), the Directors (other than Mr Jubber who has a material personal interest in Resolution 12(c)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 12(c) because the Securities will be issued on the same terms as the Securities issued under the Placement to non-related party participants and as such, the giving of the financial benefit is on arm's length terms.

In respect of Resolution 12(d), the Directors (other than Mr da Silva who has a material personal interest in Resolution 12(d)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 12(d) because the Securities will be issued on the same terms as the Securities issued under the Placement to non-related party participants and as such, the giving of the financial benefit is on arm's length terms.

In respect of Resolution 12(e), the Directors (other than Mr Farmer who has a material personal interest in Resolution 12(e)) consider that Shareholder approval pursuant to Chapter 2E of the *Corporations Act* is not required in respect of Resolution 12(e)because the Securities will be issued on the same terms as the Securities issued under the Placement to non-related party participants and as such, the giving of the financial benefit is on arm's length terms.

11.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 6.3 above.

The Director Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 12(a) to 12(e) seek the required Shareholder approval for the issue of the Securities under and for the purposes of Listing Rule 10.11.

11.4 Technical information required by Listing Rule 14.1A

If each of Resolutions 12(a) to 12(e) are passed, the Company will be able to proceed with the issue of the Securities to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Securities will not use up any of the Company's 15% annual placement capacity.

If any of Resolutions 12(a) to 12(e) are not passed, the Company will not be able to proceed with the issue of the Securities and the Company will not raise up to $245,000 via the Director Participation.

Resolutions 12(a) to 12(e) seek approval for individual issues and are not dependent on one another.

For personal use only

11.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 12(a) to 12(e) :

(a) the Securities will be issued to the Related Parties (or their nominee(s)), who fall within the category set out in Listing Rule 10.11.1 as the Related Parties are related parties of the Company by virtue of each being a director of the Company;

(b) the Securities will be issued to the Related Parties (or their nominees) in the proportions set out in Section 11.1;

(c) the maximum number of Securities to the Related Parties are:

(i) 8,166,667 Shares which will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(ii) 2,041,667 Options which are free attaching to the Shares on the terms and conditions set out in Schedule 4;

(d) the Securities to the Related Parties will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;

(e) the issue price will be $0.03 per Share and nil per Option (as the Options are being issued free attaching to the Shares). The issue price of the Shares is the same issue price as all other Shares issued under the Placement. The Company will not receive any other consideration for the issue of the Securities (other than in respect of funds received on exercise of the Options);

(f) the purpose of the issue of the Securities to the Related Parties is to allow the Related Parties to participate in the Placement and have the funds raised put towards activities set out in Section 9.2;

(g) the Securities to be issued under the Director Participation are not intended to remunerate or incentivise the Related Parties;

(h) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Director	Shares	Options
Reinout Koopmans	4,944,209	1,797,000
Rory Luff	32,764,577	3,848,190
Leonard Jubber	1,627,778	2,797,000
Luis da Silva	2,222,222	8,000,000
Ian Farmer	1,829,722	10,452,000
Mr Cornelius	1,150,000	1,250,000

For personal use only

(i) If Resolutions 12(a) to 12(e) are approved by Shareholders, the relevant interests of the Directors in securities of the Company on completion of the Placement will be as follows:

Related Party	Shares	Options
Dr Koopmans	6,277,542	2,130,333
Mr Luff	35,431,244	4,514,857
Mr Jubber	2,627,778	3,047,000
Mr da Silva	4,722,222	8,625,000
Mr Farmer	2,496,389	10,618,667
Mr Cornelius	1,150,000	1,250,000

(j) the Securities are not being issued under an agreement; and

(k) voting exclusion statements are included in Resolutions 12(a) to 12(e) of the Notice.

12. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO MORGANS CORPORATE LIMITED

12.1 General

As set out in Section 9.1, Resolution 13 seeks Shareholder approval to ratify the issue of the 5,478,790 Options to Morgans.

The issue of the Options did not breach Listing Rule 7.1 at the time of issue.

12.2 Listing Rule 7.1

A summary of Listing Rule 7.1 and 7.1A is set out in Section 10.2.

12.3 Listing Rule 7.4

The issue of the Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Options.

Resolution 13 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Options.

For personal use only

12.4 Technical information required by Listing Rule 14.1A

If is passed, the Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Options.

If Resolution 13 is not passed, the Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Options.

12.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 13

(a) the Options were issued to Morgans;

(h) 5,478,790 Options were issued on 10 August 2023. The terms and conditions of the Lead Manager Options are set out in Schedule 4;

(b) the issue price per Option is nil per Option, as the Options were issued as consideration for investor relation services provided by Morgans in respect of the Placement;

(c) the Company will not receive any consideration for the issue of the Options (other than on exercise of the Options);

(d) Morgans was engaged by the Company to provide investor relation services under an ongoing investor relations mandate with Morgans. The Company issued to Morgans the Options as consideration for Morgans providing investor relation services in respect of the Placement;

(e) the purpose for the issue of the Options as to satisfy the Company's obligation pursuant to the arrangement with Morgans referred to above; and

(f) the Options are not being issued under, or to fund, a reverse takeover.

13. RESOLUTION 14 – APPROVAL TO ISSUE OPTIONS

13.1 General

Resolution 14 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 8,249,984 Options (being one Option for every four Shares subscribed for and issued pursuant to the SPP).

Refer to Section 9.1 for further information with respect to the SPP.

13.2 Listing Rule 7.1 and 7.1A

A summary of Listing Rule 7.1 and 7.1A is set out in Section 10.2 above.

The proposed issue of the Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

For personal use only

13.3 Technical information required by Listing Rule 14.1A

If Resolution 14 is passed, the Company will be able to proceed with the issue of the Options. In addition, the issue of the Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 14 is not passed, the Company will not be able to proceed with the issue of the Options and the Company may potentially consider alternate ways to incentivise the SPP participants. For the avoidance of doubt, if Resolution 14 is not passed the SPP Participants will not receive Options as part of the SPP.

Resolution 14 is independent of all Resolutions in this Notice.

Resolution 14 seeks Shareholder approval for the purpose of Listing Rule 7.1 for the issue of the Options.

13.4 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 14:

(a) the Options will be issued to eligible Shareholders who participated in the SPP (**SPP Participants**);

(b) the Options will be issued to SPP Participants on the basis of one Option for every four (4) Shares subscribed for and issued under the SPP. The Company intends to issue 8,249,984 Options;

(c) the terms and conditions of the Options are set out in Schedule 4;

(d) Company confirms that none of the SPP Participants will be:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

(e) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Options will occur on the same date;

(f) the issue price will be nil per Option as the Options will be issued free attaching to the Shares issued under the SPP. Accordingly, the Company will not receive any consideration for the issue of the Options (other than on exercise of the Options);

(g) the purpose of the issue of the issue of the SPP Option is to incentivise SPP Participants;

(h) the Options are being issued in accordance with the terms and conditions of the SPP; and

(i) the Options are not being issued under, or to fund, a reverse takeover.

For personal use only

14. RESOLUTION 15 – RATIFICATION OF PRIOR ISSUE OF SIGN ON OPTIONS

14.1 General

The Company issued 1,000,000 Options to Seamus Cornelius on 21 August 2023 in accordance with his appointment as Director of the Company, under exception 12 of Listing Rule 10.12 (**Sign on Options**).

On 21 August 2023, Mr Seamus Cornelius was appointed as non-executive director of the Company.

14.2 ASX Listing Rule 7.1

As summarised in Section 10.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 16 December 2022.

The issue of the Sign on Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Sign on Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Sign on Options.

Resolution 15 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Sign on Options.

14.3 Information required by Listing Rule 14.1A

If Resolution 15 is passed, the Sign on Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Sign on Options.

If Resolution 15 is not passed, the Sign on Options will be included in calculating the combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Sign on Options.

For personal use only

14.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 15:

(a) 1,000,000 Sign on Options were issued to Seamus Cornelius;

(b) the Sign on Options were issued under the Company's Listing Rule 7.1 placement capacity and under exception 12 of ASX Listing Rule 10.12;

(c) the Sign on Options were issued on the terms and conditions set out in Schedule 5;

(d) the Sign on Options were issued on 21 August 2023;

(e) the Company has not and will not receive any other consideration for the issue of the Sign on Options (other than in respect of funds received on exercise of the Sign on Options);

(f) the purpose of the issue of the Sign on Options was to partially compensate Seamus Cornelius to accept the position as non-executive director;

(g) the Sign on Options were issued to Seamus Cornelius pursuant to his letter of appointment as non-executive director. Mr Cornelius will receive $40,000 per annum, $2,000 a day plus expenses for specialist advice in mining related activities outside his duties as non-executive director, and reimbursement for reasonable out of pocket expenses.

15. RESOLUTION 16– APPROVAL OF 7.1A MANDATE

15.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of $300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of $23,545,710 (based on the number of Shares on issue and the closing price of Shares on the ASX on 7 September 2023).

Resolution 16 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

For personal use only

If Resolution 16 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 16 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

15.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 16:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

(i) the date that is 12 months after the date of this Meeting;

(ii) the time and date of the Company's next annual general meeting; and

(iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or

(ii) if the Equity Securities are not issued within 10 trading days of the date in Section 15.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the development of the Company's business and the acquisition of new assets or investments.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 16is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate,

For personal use only

the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 7 September 2023.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			$0.017	$0.033	$0.05
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	726,875,473	72,687,547	$1,235,688	$2,398,689	$3,634,377
50% increase	1,090,313,210	109,031,320	$1,853,532	$3,598,033	$5,451,566
100% increase	1,453,750,946	145,375,094	$2,471,376	$4,797,378	$7,268,754

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 722,974,029 Shares on issue comprising:
   (a) 713,506,362 existing Shares as at the date of this Notice;
   (b) 13,369,111 Shares which will be issued if Resolution 6, Resolution 8 and 12are passed at this Meeting; and
2. The issue price set out above is the closing market price of the Shares on the ASX on 7 September 2023 (being $0.033).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

For personal use only

Shareholders should note that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

(ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

During the 12-month period preceding the date of the Meeting, being on and from 26 October 2022, the Company issued 60,000,000 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 11.3% of the total diluted number of Equity Securities on issue in the Company on 26 October 2022 , which was 532,679,096. It is noted that Resolution 10 seeks ratification of the 60,000,000 Shares.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

For personal use only

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	**Date of Issue**: 10 August 2023 **Date of Appendix 2A**: 10 August 2023
Recipients	Both new and existing professional and sophisticated investors as part of a placement announced on 2 August 2023. The placement participants were identified through a bookbuild process, which involved Morgans seeking expressions of interest to participate in the placement from non-related parties of the Company. None of the participants in the placement were material investors that are required to be disclosed under Guidance Note 21.
Number and Class of Equity Securities Issued	60,000,000 Shares.[2]
Issue Price and discount to Market Price[1] (if any)	$0.03 per Share (at a discount 16.7% to Market Price).[1]
Total Cash Consideration and Use of Funds	**Amount raised**: $1,800,000 **Amount spent**: $Nil **Use of funds**: used to drive the delivery of the Ohmgebirge Pre-Feasibility Study (**PFS**), permitting and environmental baseline study work, as well as early commencement of select Definitive Feasibility Study (**DFS**) workstreams and general working capital. **Amount remaining**: $1,800,000 **Proposed use of remaining funds[4]**: as above

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: SHP (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

For personal use only

GLOSSARY

$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

7.1A Mandate has the meaning given in Section 15.1.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

(g) a spouse or child of the member;

(h) a child of the member's spouse;

(i) a dependent of the member or the member's spouse;

(j) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(k) a company the member controls; or

(l) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the *Corporations Act*.

Company means South Harz Potash Ltd (ACN 153 414 852).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director Participation has the meaning provided in Section 11.1.

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or

For personal use only

if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Managing Director means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

Meeting means the meeting convened by the Notice.

Morgans means Morgans Corporate Limited.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Option Plan means the Long-Term Incentive Plan which received Shareholder approval for adoption on 4 May 2021. The terms of the Option Plan are set out in Schedule 3.

Optionholder means a holder of an Option.

Placement has the meaning provided in Section 9.1.

Proxy Form means the proxy form accompanying the Notice.

Related Party or **Related Parties** means Messrs Koopmans, Luff, Jubber, da Silva and Farmer.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 2023.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

SPP means share purchase plan.

SPP Participants has the meaning provided in Section 13.1.

Vacating Directors means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

For personal use only

SCHEDULE 1 – VALUATION OF INCENTIVE OPTIONS

The Incentive Options to be issued to the Directors pursuant to Resolution 7 and have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Incentive Options were ascribed the following value:

Assumptions:	
Valuation date	15 September 2023
Market price of Shares	3.2 cents
Exercise price	5.6 cents
Expiry date (length of time from issue)	5 years
Risk free interest rate	3.87%
Volatility (discount)	101%
Indicative value per Incentive Option	2.2 cents
Total Value of Incentive Options	$421,982

Note: The valuation noted above is not necessarily the market price that the Incentive Options could be traded at and is not automatically the market price for taxation purposes.

For personal use only

SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

A summary of the terms and conditions of the Non-Executive Incentive Options is set out below:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Each Option will be exercisable at $0.056.

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) five (5) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period and Vesting Conditions**

The Options will vest and become exercisable into Shares subject to the following vesting conditions:

Vesting Condition
There being a 100% increase in the Company's Share price from the 20-Day VWAP prior to the date of the issue of the Incentive Options.

The Options are exercisable into Shares at any time after vesting on or prior to the Expiry Date (**Exercise Period**) after which the Options will lapse.

(e) **Cessation of Employment**

Should the holder cease employment or engagement by the Company:

(i) any unexercised Non-Executive Incentive Options that have vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse if the holder does not exercise the Non-Executive Incentive Options within a period of 1 month after the Cessation Date; and

(ii) any unexercised Non-Executive Incentive Options that have not vested as at the Cessation Date shall immediately lapse upon the Cessation Date.

(f) **Automatic Vesting**

Subject to the Company complying with the rules of the ASX and the *Corporations Act*, each Option will automatically vest and become exercisable into Shares in the event of:

(i) a takeover bid under Chapter 6 of the *Corporations Act* having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or

For personal use only

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or

(iii) a person acquiring voting power (as defined in section 610 of the *Corporations Act*) in over 50% of the Company's Shares, in circumstances where such person's voting power was lower than the 50% threshold prior to the date on which the Options were issued; or

(iv) the Company enters into agreements to sell businesses or assets which are owned by the Company at the date of issue of the Options (whether or not in the form of shares in a subsidiary company) the consideration for which businesses or assets represents more than 50% of the value of all of the businesses and assets owned by the Company at the date of issue of the Options (with reference to the Company's most recent audited financial statements) to a person, or a number of persons, none of which are in the Company's group,

such a determination shall be notified to the holder in writing.

(g) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**).

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the *Corporations Act*, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the *Corporations Act* and do all such things necessary to satisfy section 708A(11) of the *Corporations Act* to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the *Corporations Act* and do all such things necessary to satisfy section 708A(11) of the *Corporations Act* to ensure that an offer for sale of the Shares does not require disclosure to investors.

For personal use only

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the *Corporations Act* and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Transferability**

The Options are not transferable.

For personal use only

SCHEDULE 3 – TERMS AND CONDITIONS OF INCENTIVE OPTION PLAN

1. Definitions and interpretations

1.1 Definitions

For the purposes of below:

(a) **Class Order** means ASIC Legislative Instrument 14/1000 as amended or replaced from time to time**.**

(b) **Eligible Participant** means any Director (whether executive or non-executive), full or part time employee, or casual employee or contractor (to the extent the casual employee or contractor falls within the Class Order), of the Company or an associated body corporate who is declared by the Board to be eligible to be granted **Options**. The Board may also offer Options to a prospective participant provided the Offer can only be accepted once they meet the eligibility criteria described above.

(c) **Market** Value in **respect** of a Share means the volume weighted average market price for Shares traded on the ASX over the 20 most recent trading days on which the Shares were traded prior to the day on which the market value is to be determined.

(d) **Nominee** means a **nominee** of an Eligible Participant that is one of the following**:**

(i) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members; or

(ii) a company whose members comprise no persons other than the Eligible Participant **or immediate family members of the Eligible Participant.**

(e) **Offer** means an invitation to treat made to an Eligible Participant to be granted one or more Options **in** accordance with the Long-Term Incentive Plan.

(f) **Option** means an option to be issued or transferred a Share to be granted pursuant to the Long-Term Incentive Plan.

(g) **Option Exercise Price means** the exercise price of an Option as determined by the Board.

(h) **Participant** means an **Eligible** Participant, or a nominee of an Eligible Participant, to whom Options will be granted under the Long-Term Incentive Plan.

1.2 The material terms of the Incentive Option Plan (Option Plan) are summarised below:

For personal use only

(a) **Eligibility**

The Board may, from time to time, in its discretion, make a written invitation to any Eligible Participant to apply for Options, upon the terms set out in the Long-Term Incentive Plan and upon such additional terms and conditions as the Board determines.

(b) **Offers**

An offer of Options must be made using an offer document containing the matters prescribed in the Long-Term Incentive Plan. The number of Options or offered to an Eligible Participant will be determined by the Board in its discretion and in accordance with applicable law and the ASX Listing Rules.

(c) **Consideration and Conversion**

Each Option granted under the Long-Term Incentive Plan will be granted for nil cash consideration. Each Option is exercisable into one Share.

(d) **Option Exercise Price**

The Option Exercise Price will be determined by the Board prior to the grant of the Options.

(e) **Expiry Date**

The expiry date for Options granted under the Long-Term Incentive Plan will be determined by the Board prior to the grant of the Options.

(f) **Vesting Conditions**

The Options granted under the Long-Term Incentive Plan may be subject to vesting conditions that must be satisfied or waived before an Option or Performance Right can be exercised (Vesting Conditions). The Vesting Conditions will be determined by the Board in its discretion prior to grant of the Options and must be set out in the Offer.

(g) **Exercise**

A Participant may, subject to the terms of the Long-Term Incentive Plan and the Offer, exercise any vested Options at any time after vesting but prior to expiry.

(h) **Cashless Exercise of Options**

If a Participant wishes to exercise some or all of their vested Options they may elect to satisfy the Option Exercise Price by using the cashless exercise facility. Where the cashless exercise facility is used the Participant will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:

(i) the aggregate total Market Value of Shares as at the date the vested Option is exercised that would otherwise be issued or transferred on exercise of the vested Options, less the aggregate total Option Exercise Price otherwise payable in respect of all vested Options exercised;

For personal use only

(ii) divided by the Market Value of a Share as at the date the vested Option is exercised.

(i) **Lapsing of Options**

Options will lapse:

(i) if any vesting condition in relation to the Option is not satisfied by the due date, or becomes incapable of satisfaction and is not waived, as determined by the Board;

(ii) in respect of an unvested Option, when the person to whom the Option or Performance Right was offered ceases to be an Eligible Participant (unless resolved otherwise by the Board in its absolute discretion);

(iii) in respect of a vested Option, six months after the person to whom the Option or Performance Right was offered ceases to be an Eligible Participant (or such later date agreed by the Board);

(iv) in the event of unauthorised dealings or hedging of Options, or fraud, dishonesty or other improper behaviour;

(v) in respect of unvested Options, upon a winding up resolution or order being made (unless otherwise determined by the Board); and

(vi) on the expiry date.

(j) **Disposal**

Options will not be transferable except to the extent the Long-Term Incentive Plan or any Offer provides otherwise.

(k) **Quotation**

Options will not be quoted on the ASX, except to the extent provided for by the Plan or unless an Offer provides otherwise.

(l) **Trigger Events**

The Board may permit Options to vest in certain circumstances (including adverse health or financial condition of a Participant or in the event of winding up). Options will automatically vest where there is a change in control of the Company (including by takeover or entry into a scheme of arrangement).

(m) **Participation generally**

There are no participating rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

For personal use only

(n) **Change in exercise price**

An Option does not confer the right to a change in Option Exercise Price, and Options do not confer a right to a change in the number of underlying securities over which the Option or Performance Right can be exercised.

(o) **Reorganisation**

If at any time the capital of the Company is reorganised, the rights of a Participant will be changed in a manner consistent with the *Corporations Act* and the ASX Listing Rules at the time of the reorganisation.

(p) **Limitations on Offers**

Where the Company has relied or intends to rely on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

For personal use only

SCHEDULE 4 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.08 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on or before three years from the date of issue (**Expiry Date**). An Option not exercised before the respective Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the *Corporations Act*, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the *Corporations Act* and do all such things necessary to satisfy section 708A(11) of the *Corporations Act* to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

For personal use only

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the *Corporations Act* and do all such things necessary to satisfy section 708A(11) of the *Corporations Act* to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the *Corporations Act* and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

For personal use only

SCHEDULE 5 - TERMS AND CONDITIONS OF SIGN ON OPTIONS

A summary of the terms and conditions of the Sign on Options is set out below:

(a) **Entitlement**

Each Sign on Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Sign on Option is $0.064

(c) **Expiry Date**

Each Sign on Option will expire at 5:00 pm (WST) on 21 August 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period and Vesting Conditions**

The Sign on Options will vest on 21 February 2025.

(e) **Cessation of Employment**

Should the holder cease employment or engagement by the Company any unexercised Sign on Options that have vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse if the holder does not exercise the Sign on Options within a period of 1 month after the Cessation Date.

(f) **Automatic Vesting**

Subject to the Company complying with the rules of the ASX and the *Corporations Act*, each Sign on Option will automatically vest and become exercisable into Shares in the event of:

(i) a takeover bid under Chapter 6 of the *Corporations Act* having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or

(iii) a person acquiring voting power (as defined in section 610 of the *Corporations Act*) in over 50% of the Company's Shares, in circumstances where such person's voting power was lower than the 50% threshold prior to the date on which the Sign on Options were issued; or

(iv) the Company enters into agreements to sell businesses or assets which are owned by the Company at the date of issue of the Sign on Options (whether or not in the form of shares in a subsidiary company) the consideration for which businesses or assets represents more than 50% of the value of all of the businesses and assets owned by the Company at

For personal use only

the date of issue of the Sign on Options (with reference to the Company's most recent audited financial statements) to a person, or a number of persons, none of which are in the Company's group; and

(v) such a determination shall be notified to the holder in writing.

(g) **Notice of Exercise**

The Sign on Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Sign on Option certificate (**Notice of Exercise**).

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Sign on Options specified in the Notice of Exercise;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the *Corporations Act*, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the *Corporations Act* and do all such things necessary to satisfy section 708A(11) of the *Corporations Act* to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Sign on Options.

If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the *Corporations Act* and do all such things necessary to satisfy section 708A(11) of the *Corporations Act* to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) **Shares issued on exercise**

Shares issued on exercise of the Sign on Options rank equally with the then issued shares of the Company.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the *Corporations Act* and the ASX Listing Rules at the time of the reconstruction.

For personal use only

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Sign on Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Sign on Options without exercising the Sign on Options.

(m) **Change in exercise price**

A Sign on Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Sign on Option can be exercised.

(n) **Transferability**

The Sign on Options are not transferable.

For personal use only

South Harz Potash Limited | ACN 153 414 852

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **3.00pm (WST) on Tuesday, 24 October 2023,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

For personal use only

STEP 1 - How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of South Harz Potash Limited, to be held at **3.00pm (WST) on Thursday, 26 October 2023 at The Quest, 54 Kings Park Road, West Perth WA 6005** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 2, 7a-f and 8a-d (except where I/we have indicated a different voting intention below) even though Resolutions 1, 2, 7a-f and 8a-d are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2 – Your voting direction

Resolutions	For	Against	Abstain
1. Adoption of Remuneration Report	☐	☐	☐
2. Spill Resolution	☐	☐	☐
3. Election of Director – Mr Seamus Cornelius	☐	☐	☐
4. Re-election of Director – Mr Ian Farmer	☐	☐	☐
5. Re-election of Director – Mr Leonard Jubber	☐	☐	☐
6a. Issue of Shares to Directors in Lieu of Director Fees - Mr Reinout Koopmans (or his respective nominee/s)	☐	☐	☐
6b. Issue of Shares to Directors in Lieu of Director Fees - Mr Rory Luff (or his respective nominee/s)	☐	☐	☐
6c. Issue of Shares to Directors in Lieu of Director Fees - Mr Leonard Jubber (or his respective nominee/s)	☐	☐	☐
6d. Issue of Shares to Directors in Lieu of Director Fees - Mr Ian Farmer (or his respective nominee/s)	☐	☐	☐
6e. Issue of Shares to Directors in Lieu of Director Fees - Seamus Cornelius (or his respective nominee/s)	☐	☐	☐
7a. Issue of Incentive Options to All Directors - Mr Reinout Koopmans (or his respective nominee/s)	☐	☐	☐
7b. Issue of Incentive Options to All Directors - Mr Rory Luff (or his respective nominee/s	☐	☐	☐
7c. Issue of Incentive Options to All Directors - Mr Leonard Jubber (subject to the passing of Resolution 5) (or his respective nominee/s)	☐	☐	☐
7d. Issue of Incentive Options to All Directors - Mr Luis da Silva (or his respective nominee/s)	☐	☐	☐
7e. Issue of Incentive Options to All Directors - Mr Ian Farmer (subject to the passing of Resolution 4) (or his respective nominee/s)	☐	☐	☐
7f. Issue of Incentive Options to All Directors - Mr Seamus Cornelius (subject to the passing of Resolution 3) (or his respective nominee/s)	☐	☐	☐
8a. Approval to Issue Bonus Shares to Key Management Personnel - Mr Luis da Silva (or his respective nominee/s)	☐	☐	☐
8b. Approval to Issue Bonus Shares to Key Management Personnel - Mr Andrew Robertson (or his respective nominee/s)	☐	☐	☐
8c. Approval to Issue Bonus Shares to Key Management Personnel - Ms Babette Winer (or her respective nominee/s)	☐	☐	☐
8d. Approval to Issue Bonus Shares to Key Management Personnel - Mr Lawrence Berthelet (or his respective nominee/s)	☐	☐	☐
9. Ratification of Prior Issue of Shares – Listing Rule 7.1	☐	☐	☐
10. Ratification of Prior Issue of Shares – Listing Rule 7.1A	☐	☐	☐
11. Ratification of Prior Issue of Options – Listing Rule 7.1	☐	☐	☐
12a. Approval for Director Participation in Placement - Mr Reinout Koopmans (or his respective nominee/s)	☐	☐	☐
12b. Approval for Director Participation in Placement - Mr Rory Luff (or his respective nominee/s)	☐	☐	☐
12c. Approval for Director Participation in Placement - Mr Leonard Jubber (or his respective nominee/s)	☐	☐	☐
12d. Approval for Director Participation in Placement - Mr Luis da Silva (or his respective nominee/s)	☐	☐	☐
12e. Approval for Director Participation in Placement - Mr Ian Farmer (or his respective nominee/s)	☐	☐	☐
13. Ratification of Prior Issue of Options to Morgans Corporate Limited	☐	☐	☐
14. Approval to Issue Options	☐	☐	☐
15. Ratification of Issue of Options – Seamus Cornelius	☐	☐	☐
16. Approval of 7.1A Mandate	☐	☐	☐

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) / /

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

For personal use only

AUTOMIC

SHP