
SOUTH HARZ POTASH LIMITED
ABN 64 153 414 852

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00 pm WST
DATE: Thursday, 16 December 2021
PLACE: Level 11, London House
216 St Georges Terrace
PERTH WA 6000

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

This Notice of Meeting 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 4:00 pm (WST) on 14 December 2021.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 0389.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND ACCOUNTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021, together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. 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 Company to adopt the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2021.”

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

2. RESOLUTION 2 – 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, Listing Rule 14.4 and for all other purposes, Mr Ian Farmer, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR HANSJOERG PLAGGEMARS

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, Listing Rule 14.4 and for all other purposes, Mr Hansjoerg Plaggemars, being a Director, retires by rotation and, being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MR LEN 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 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Len Jubber, a Director who was appointed casually on 1 March 2021, retires, and being eligible, is elected as a Director.”

5. RESOLUTION 5 – 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."

6. RESOLUTION 6 – APPOINTMENT OF AUDITOR

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

'That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company, on the terms and conditions set out in the Explanatory Statement.'

7. RESOLUTION 7 – ISSUE OF EXECUTIVE INCENTIVE OPTIONS TO CHRIS GILCHRIST

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 934,000 Executive Incentive Options to Chris Gilchrist (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 8 – ISSUE OF INCENTIVE OPTIONS TO IAN FARMER

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 523,000 Incentive Options to Ian Farmer (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

9. RESOLUTION 9 – ISSUE OF INCENTIVE OPTIONS TO REINOUT KOOPMANS

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 311,000 Incentive Options to Reinout Koopmans (or their nominee) on the terms and conditions set out in the Explanatory Statement."

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

10. RESOLUTION 10 – ISSUE OF INCENTIVE OPTIONS TO RORY LUFF

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 311,000 Incentive Options to Rory Luff (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

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

11. RESOLUTION 11 – ISSUE OF INCENTIVE OPTIONS TO HANSJORG PLAGGEMARS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 311,000 Incentive Options to Hansjorg Plaggemars (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

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

12. RESOLUTION 12 – ISSUE OF INCENTIVE OPTIONS TO LEONARD JUBBER

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 311,000 Incentive Options to Leonard Jubber (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

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

Dated: 9 November 2021

By order of the Board

**Amanda Wilton-Head
Company Secretary
South Harz Potash Limited**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none">(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. <p>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:</p> <ul style="list-style-type: none">(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:<ul style="list-style-type: none">(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 Executive Incentive Options to Chris Gilchrist	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none">(a) the proxy is either:<ul style="list-style-type: none">(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. <p>Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none">(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 – Issue of Incentive Options to Ian Farmer	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 8 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.</p>

	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (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. <p>Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (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.
<p>Resolution 9 – Issue of Incentive Options to Reinout Koopmans</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 9 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (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. <p>Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (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.
<p>Resolution 10 – Issue of Incentive Options to Rory Luff</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 10 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 10 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either:

	<ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (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.
<p>Resolution 11 – Issue of Incentive Options to Hansjorg Plaggemaars</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 11 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 11 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (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. <p>Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (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.
<p>Resolution 12 – Issue of Incentive Options to Leonard Jubber</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 12 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 12 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (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.

	<p>Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (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:

Resolution 5 – Approval of 7.1A Mandate	<p>The Company will disregard any votes cast in favour of the Resolution by or on behalf of 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) or an associate of that person (or those persons).</p> <p>However, this does not apply to a vote cast in favour of the Resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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.
Resolution 7 – Issue of Executive Incentive Options to Chris Gilchrist	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 Chris Gilchrist under resolution 7) or an associate of that person or those persons.
Resolution 8 – Issue of Incentive Options to 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 under resolution 8) or an associate of that person or those persons.
Resolution 9 – Issue of Incentive Options to 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 under resolution 9) or an associate of that person or those persons.
Resolution 10 – Issue of Incentive Options to 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 under resolution 10) or an associate of that person or those persons.

Resolution 11 – Issue of Incentive Options to Hansjorg Plaggemaars	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 Hansjorg Plaggemaars under resolution 11) or an associate of that person or those persons.
Resolution 12 – Issue of Incentive Options to 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 under resolution 12) 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 in person

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

Voting by proxy

To vote by proxy, please complete 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 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 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 changes to the Corporations Act made in 2011 mean 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 0389.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Level 11, London House, 216 St Georges Terrace, Perth WA 6000 at 3:00 pm WST on Thursday, 16 December 2021.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

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 2021 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.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 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 Directors or 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.

1.2 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.

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

1.3 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 less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR IAN FARMER

2.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

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 elected on 27 November 2020, retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Mr Farmer is a UK based, highly experienced mining executive. He served as Chief Executive Officer of Lonmin, 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 and its parent company Lonrho, 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 UK since 2014, and previously was a Non-Executive Director of VTTI Energy Partners LP (2014 - 2017).

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

2.3 Independence

If re-elected the Board considers Mr Ian Farmer will be an independent Director.

2.4 Board Recommendation

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

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR HANSJOERG PLAGGEMARS

3.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Hansjoerg Plaggemars, who has served as a Director since 1 October 2019 and was elected on 29 November 2019, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Hansjoerg Plaggemars is an experienced company director with a deep background in corporate finance, corporate strategy and governance. He has served on the Board of Directors of many listed and unlisted companies in a variety of industries including retail, mining, agriculture, shipping, construction and investments. This includes the Board of Deutsche Balaton AG and Delphi Unternehmensberatung Aktiengesellschaft (**Delphi Unternehmensberatung AG**), which has become a substantial shareholder in the Company. Mr Hansjoerg Plaggemars has qualifications in Business Administration and is fluent in English and German and resides in Stuttgart, Germany.

Mr Hansjoerg Plaggemars is currently a director of ASX listed Altech Chemicals Limited, Azure Minerals Limited, Kin Mining NL and PNX Metals Limited. Mr Hansjoerg Plaggemars was formerly a director of AIM listed Stellar Diamonds plc until April 2018. Mr Hansjoerg Plaggemars has not held any other directorships in listed companies during the last 3 years.

3.3 Independence

If re-elected the Board does not consider Mr Hansjoerg Plaggemars will be an independent Director by virtue of being a representative of Delphi Unternehmensberatung AG, which is a substantial holder in the Company.

3.4 Board Recommendation

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

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MR LEN JUBBER

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 Len Jubber, having been appointed by other Directors on 1 March 2021, in accordance with the Constitution, retires 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 Len Jubber, a Civil Engineer, was Chief Executive of Bannerman Resources Ltd, a uranium development company for eight years. Prior 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 Len Jubber has not held any other directorships in listed companies during the last 3 years.

4.3 Independence

Mr Jubber 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 Len Jubber 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 Len Jubber.

4.5 Board recommendation

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

5. RESOLUTION 5 – APPROVAL OF 7.1A MANDATE

5.1 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 \$62,185,627 (based on the number of Shares on issue and the closing price of Shares on the ASX on 9 November 2021).

This Resolution 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.

If this Resolution 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 this Resolution 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.

5.2 Technical information required by ASX Listing Rule 7.1A

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

(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 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 5.2(b)(i), the date on which the Equity Securities are issued.

(b) **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.

(c) **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 this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, 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 as at 9 November 2021.

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		
			Issue Price		
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	\$0.0725	\$0.145	\$0.2175
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	428,866,393	42,886,639	\$3,109,281	\$6,218,563	\$9,327,844
50% increase	643,299,590	64,329,959	\$4,663,922	\$9,327,844	\$13,991,766
100% increase	857,732,786	85,773,279	\$6,218,563	\$12,437,125	\$18,655,688

*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 428,866,393 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 9 November 2021 (being \$0.145).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued 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.

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.

(d) **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).

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

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 27 November 2020 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 10 December 2020, the Company has not issued any Equity Securities pursuant to the Previous Approval.

5.3 Voting Exclusion Statement

A voting exclusion statement is included in Resolution 5 of this Notice.

6. RESOLUTION 6 – APPOINTMENT OF AUDITORS

6.1 Background

As announced on 21 July 2021, BDO Audit (WA) Ptd Ltd (**BDO**) was appointed auditor of the Company following the resignation of Walker Wayland Advantage Audit Partnership. ASIC consented to the resignation in accordance with s329(5) of the Corporations Act. The change of auditor arose following a review of the Company's corporate strategy.

As a result of the timing of the change, BDO filled a casual vacancy in accordance with s327C(1) of the Corporations Act. Under section 327C(2) of the Act, an auditor who has been appointed under s327C(1) of the Act only holds office until the Company's next annual general meeting. The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to s327B(1)(b) of the Act.

Pursuant to s328B(1) of the Act, the Company received a valid notice of nomination from a Shareholder for BDO to be appointed as the Company's auditor. A copy of the nomination is attached as Annexure A to this Notice.

BDO has provided the Company with its written consent to act as auditor of the Company in accordance with s328A(1) of the Act, subject to Shareholder approval being obtained at this Meeting.

If Resolution 6 is passed, the appointment of BDO as the Company's auditors will take effect from the close of the Annual General Meeting.

6.2 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of the appointment of BDO.

7. RESOLUTIONS 7 TO 12 – ISSUE OF RELATED PARTY EXECUTIVE INCENTIVE OPTIONS AND INCENTIVE OPTIONS

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 Gilchrist, Farmer Koopmans, Luff, Plaggemars and Jubber (or their nominees) (**Related Parties**) 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:

- (a) 934,000 Options to Dr. Gilchrist (**Executive Incentive Options**); and

- (b) 1,767,000 Options to Messrs Farmer, Koopmans, Luff, Plaggemars and Jubber (**Non-Executive Incentive Options**),

(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.

The issue of the Incentive Options 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 a Director.

As the Incentive Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Options. Accordingly, Shareholder approval for the issue of Incentive Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

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 Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 7 to 12 seek the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

7.4 Technical information required by Listing Rule 14.1A

If Resolutions 7 to 12 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan within three years 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 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 Resolutions 7 to 12 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan and may need to seek to remunerate the Related Parties by another means.

7.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 7 to 12:

- (a) the Incentive Options will be issued to the following persons:
- (i) Dr Chris Gilchrist (or their nominee) pursuant to Resolution 7;
 - (ii) Mr Ian Farmer (or their nominee) pursuant to Resolution 8;
 - (iii) Dr Reinout Koopmans (or their nominee) pursuant to Resolution 9;
 - (iv) Mr Rory Luff (or their nominee) pursuant to Resolution 10;
 - (v) Mr Hansjorg Plaggemars (or their nominee) pursuant to Resolution 11; and
 - (vi) Mr Leonard Jubber (or their nominee) pursuant to Resolution 12,
- each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Incentive Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is set out in the table below:

Resolution	Related Party	Executive Incentive Options	Non Executive Incentive Options	Total
8	Dr Chris Gilchrist (or his nominee)	934,000	Nil	934,000
9	Mr Ian Farmer (or his nominee)	Nil	523,000	523,000
10	Dr Reinout Koopmans (or his nominee)	Nil	311,000	311,000
11	Mr Rory Luff (or his nominee)	Nil	311,000	311,000
12	Mr Hansjorg Plaggemars (or his nominee)	Nil	311,000	311,000
12	Mr Leonard Jubber (or his nominee)	Nil	311,000	311,000

- (c) the following Options have been previously issued under the Option Plan to:
 - (i) 1,250,000 Options have previously been issued to Ian Farmer for nil cash consideration under the Option Plan;
 - (ii) 1,477,741 Options have previously been issued to Chris Gilchrist for nil cash consideration under the Option Plan;
 - (iii) 750,000 Options have previously been issued to Reinout Koopmans for nil cash consideration under the Option Plan;
 - (iv) 750,000 Options have previously been issued to Rory Luff for nil cash consideration under the Option Plan;
 - (v) 750,000 Options have previously been issued to Hansjoerg Plaggemars for nil cash consideration under the Option Plan; and
 - (vi) 750,000 Options have previously been issued to Len Jubber for nil cash consideration under the Option Plan.
- (d) a summary of the material terms and conditions of the Executive Incentive Options is set out in Schedule 2;
- (e) a summary of the material terms and conditions of the Non-Executive Incentive Options is set out in Schedule 3;
- (f) the Company has agreed to issue the Incentive Options to the Related Parties subject to Shareholder approval for the following reasons:
 - (i) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Incentive Options is also beneficial to the Company as it means the Related Parties 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
 - (ii) 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 Related Parties 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 Related Parties; and
 - (iii) incentives to attract and ensure continuity of service/retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

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 total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Ian Farmer	\$137,760 ¹	\$171,139
Chris Gilchrist	\$433,080 ²	\$342,366
Reinout Koopmans	\$77,320 ³	\$57,681
Rory Luff	\$82,320 ⁴	\$34,598
Hansjorg Plaggemars	\$82,320 ⁵	\$37,628
Leonard Jubber	\$77,320 ⁶	\$19,807

Notes:

1. Comprising Directors' fees of \$75,000, and share-based payments of \$67,760 (being the value of the Non-Executive Incentive Options as at the date of this Notice).
2. Comprising Directors' fees/salary of \$303,000, a bonus of \$18,000 and share-based payments of \$112,080 (being the value of the Executive Incentive Options as at the date of this Notice).
3. Comprising Directors' fees of \$40,000, and share-based payments of \$37,320 (being the value of the Non-Executive Incentive Options as at the date of this Notice).
4. Comprising Directors' fees of \$39,000 and share-based payments of \$6,000 (comprising Sacrifice Shares spanning the prior year and current year,) and \$37,320, being the value of the Non-Executive Incentive Options as at the date of this Notice).
5. Comprising Directors' fees of \$39,000 and share-based payments of \$6,000 (comprising Sacrifice Shares spanning the prior year and current year) and \$37,320, being the value of the Non-Executive Incentive Options as at the date of this Notice).
6. Comprising Directors' fees of \$40,000, and share-based payments of \$37,320 (being the value of the Non-Executive Incentive Options as at the date of this Notice).

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

Related Party	Value (\$)
Chris Gilchrist	92,840
Ian farmer	51,986
Reinout Koopmans	30,913
Rory Luff	30,913
Hansjorg Plaggemars	30,913
Leonard Jubber	30,913
Total	\$268,478

The pricing methodology is set out in Schedule 1;

- (j) the Incentive Options will be issued to the Related Parties 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;

- (k) 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);
- (l) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties 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 Related Parties;
- (m) a summary of the material terms and conditions of the Option Plan is set out in Schedule 4;
- (n) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Options;
- (o) 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;
- (p) 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;
- (q) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Ian Farmer	444,444	8,472,222	Nil
Chris Gilchrist	3,804,256	2,184,090	1,980,000
Reinout Koopmans	3,416,431	750,000	693,000
Rory Luff	26,299,502	8,356,746	693,000
Hansjorg Plaggemars	997,930	972,222	693,000
Leonard Jubber	100,000	1,750,000	Nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: SHP).

- (r) if the Incentive Options issued to the Related Parties are exercised, a total of approximately 2,701,000 Shares would be issued. This will increase the number of Shares on issue from 424,098,241 (being the total number of Shares on issue as at the date of this Notice) to 426,799,241 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.015%, comprising 0.003% by Ian Farmer,

Chris Gilchrist 0.005% by Reinout Koopmans, 0.002% by Rory Luff, 0.002% by Hansjorg Plaggemars and 0.002% by Leonard Jubber.

The market price for Shares during the term of the Incentive Options would normally determine whether the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company.

As at the date of this Notice the Shares are trading on ASX at a price greater than the exercise price of the Incentive Options. The Board resolved to issue the Incentive Options, subject to Shareholder approval, on the terms and conditions set out in this Notice at a time when the Remuneration Committee had set the exercise price which was 100% above a set reference price which was the VWAP on the day that the Remuneration Committee meeting took place.

- (s) but Shareholder approval has not been able to be obtained until this Meeting. the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.18	27 October 2021
Lowest	\$0.049	3 December 2020
Last	\$0.145	9 November 2021

- (t) each Director has a material personal interest in the outcome of Resolutions 7 to 12 on the basis that all of the Directors (or their nominees) are to be issued Incentive Options should Resolutions 7 to 12 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 7 to 12 of this Notice; and
- (u) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 7 to 12.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning:

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791) or the Australian Securities Exchange, as the context requires.

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

Board means the 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:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) 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;
- (e) a company the member controls; or
- (f) 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 Limited (ABN 64 153 414 852).

Constitution means the Company's constitution.

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

Director mean a director 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 to this 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 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.

Meeting or **General Meeting** or **Annual General Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means the notice of meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

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 2021.

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 shareholder of the Company.

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

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

SCHEDULE 1 - VALUATION OF THE RELATED PARTY OPTIONS

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

Assumptions:	
Valuation date	26 October 2021
Market price of Shares	\$0.14
Exercise price (hypothetical on 14-Oct-21)	\$0.1606
Expiry date (length of time from issue)	5 years
Risk free interest rate	1.23%
Volatility (discount)	119%
Indicative value per Option	\$0.12
Total Value of all Options	\$112,080

Note:

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

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	26 October 2021
Market price of Shares	\$0.14
Exercise price (hypothetical on 14-Oct-21)	\$0.1606
Expiry date (length of time from issue)	5 years
Risk free interest rate	1.23%
Volatility (discount)	119%
Indicative value per Option	\$0.12
Total Value of all Options	\$212,040

Note:

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

SCHEDULE 2 - TERMS AND CONDITIONS OF EXECUTIVE INCENTIVE OPTIONS

A summary of the terms and conditions of the 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**

No consideration is payable upon the exercise of each Option.

(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	
(a)	There being a 100% increase in the Company's Share price from the volume weighted average price over 20 consecutive trading days prior to the date of the issue of the Executive Incentive Options (20-Day VWAP).
(b)	The employee or director remaining employed or appointed by the Company for a period of 3 years of continued service) after the date of issue of the Executive 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 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 Executive Incentive Option within a period of 1 month after the Cessation Date; and
- (ii) any unexercised 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

- (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; and

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.

(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.

SCHEDULE 3 - TERMS AND CONDITIONS OF NON-EXECUTIVE 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**

No consideration is payable upon the exercise of each Option.

(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

- (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.

(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.

SCHEDULE 4 - 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:

(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;

- (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.

(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.

ANNEXURE A – NOMINATION OF AUDITOR LETTER

26 October 2021

To the Board of Directors
South Harz Potash Limited
Level 11
216 St Georges Terrace
Perth WA 6000

I, Ian Farmer, being a member of South Harz Potash Limited (**Company**), nominate BDO Audit (WA) Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 26 October 2021:



Ian Farmer

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 (AWST) on Tuesday, 14 December 2021**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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>.

