



South Harz Potash Limited

ABN 64 153 414 852

Half Year Financial Report – 31 December 2024

Corporate directory

Directors	<p>Leonard Jubber <i>Executive Chairman</i></p> <p>Dr Reinout Koopmans <i>Non-Executive Director</i></p> <p>Rory Luff <i>Non-Executive Director</i></p>
Company secretary	Graeme Smith
Registered office	Unit 13, 6-10 Douro Place West Perth WA 6005 Australia. +61 408 447 493
Principal place of business	Unit 13, 6-10 Douro Place West Perth WA 6005 Australia. +61 408 447 493
Auditors	BDO Audit Pty Ltd Level 7, 420 King William Street, Adelaide SA 5000 Australia.
Solicitors	Steinepreis Paganin 16 Milligan Street, Perth WA 6000, Australia.
Main Bankers	National Australia Bank
Securities exchange	Australian Securities Exchange (ASX code: SHP)
Share registry	Automic Registry Services Pty Ltd Level 2, 267 St Georges Terrace Perth WA 6000 +61 8 9324 2099
Website address	www.southharzpotash.com
Corporate Governance Statement	https://southharzpotash.com/about/corporate-governance/

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Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity") consisting of South Harz Potash Limited (referred to hereafter as the "Company" or "parent entity") and the entities it controlled for the half year ended 31 December 2024.

DIRECTORS

The names of directors who held office during the financial period and up to the date of this report are shown in the following table:

Name	Title
Leonard Jubber	Executive Chairman
Rory Luff	Non-Independent Non-Executive Director
Dr. Reinout Koopmans	Independent Non-Executive Director

COMPANY SECRETARY

Graeme Smith

PRINCIPAL ACTIVITIES

The development of mineral exploration assets.

REVIEW OF ACTIVITIES

The total comprehensive loss for the six months ended 31 December 2024 was A\$1,645,387 (half-year ended 31 December 2023: A\$5,967,598).

Total expenditure for the half year was A\$1,672,513 (half-year ended 31 December 2023: A\$5,789,393). The reduction in the level of expenditure for the half year reflects the consolidated entity entering a low-cost optimisation phase following the release of its Pre-Feasibility Study in May 2024, including the closure of its UK corporate office.

Cash as at 31 December 2024 was A\$566,808.

Highlights during the six-month period to 31 December 2024 included:

Capital Raising Activities

In August 2024, the Company announced the completion of an equity placement through the issue of 102,999,990 new shares to new and existing institutional and sophisticated investors at an issue price of \$0.01 per share ("August Placement"). The August Placement included subscriptions by the directors of \$401,167 for 40,116,690 shares ("Director Placement Shares"), which was approved by shareholders at its 2024 Annual General Meeting held on 28 November 2024 ("AGM"). The Director Placement Shares were issued on 16 December 2024, as part of which the Company offset \$193,807 of creditor balances owing to the directors, comprising loans from director-related entities of Len Jubber and Rory Luff of \$100,000 and accrued and unpaid non-executive directors fees totalling \$93,807.

In addition to the August Placement, the Company also offered eligible shareholders the right to participate in a 1-for-3 pro-rata non-renounceable entitlement issue ("Entitlement Offer") to raise approximately \$3.0 million (before costs). On 23 September 2024, the Company announced the results of this Entitlement Offer where, of the

296,689,424 shares offered under the Entitlement Offer, 54,109,646 shares (representing new equity of \$541,096) were applied for by eligible shareholders, including those subscribing for shares in excess of their entitlements. The Entitlement Offer also included participation by the directors of approximately \$107,061.

The completion of the August Placement and the Entitlement Offer, left a shortfall of 242,579,778 Shares ("Shortfall Shares"), following which the Company undertook to place these Shortfall Shares ("Shortfall Offer"). On 19 November 2024, South Harz announced the completion of an initial placement of Shortfall Shares raising \$425,500 through the issue of 42,550,000 Shortfall Shares. The Company completed a second, subsequent placement of 14,000,000 Shortfall Shares raising \$140,000 on 13 December 2024 after which the Shortfall Offer closed.

In addition to the above, a director-related entity of Len Jubber was issued with 5,000,000 shares on 16 December 2024, representing \$50,000 of new equity following shareholder approval at the AGM.

Other placements of shares during the half year included the issue of shares in as consideration for services performed by services providers to the Company, being 4,145,500 shares issued on 20 November 2024 and 2,736,600 shares issued on 31 December 2024.

In aggregate across the capital raising activities in the half year, new equity issued totalled approximately \$2.25 million (before costs), during the half year.

Director Loan Facilities

During the half year, two unsecured loan facilities were provided by related party entities of directors Len Jubber and Rory Luff. The notional amount for each facility was \$100,000, for a total of \$200,000. The facilities attracted an interest rate of 10% per annum on the drawn funds. During July 2024, \$50,000 was drawn down on each facility for a total of \$100,000. Following shareholder approval at the Company's AGM, the balance of these loans was offset against the cost for shares subscribed for by director-related entities of Len Jubber and Rory Luff as part of the August Placement capital raise described above.

Annual General Meeting and New Constitution

The Company's AGM was held on 28 November 2024 in the Perth offices of its auditors, BDO. All resolutions put to shareholders were passed on a poll, by the requisite majorities. This included a special resolution to adopt a new Constitution. A copy of this new Constitution was released to the ASX on 2 December 2024. Full details pertaining to the AGM results were released in the ASX announcement dated 28 November 2024, Results of Meeting.

Issue of Performance Rights

On 17 December 2024, the Company issued 39,500,000 performance rights to directors as approved by shareholders at the AGM. Also, pursuant to the new Employee Incentive Securities Plan approved by shareholders at the AGM, 9,000,000 performance rights were issued to key management personnel as part of the company's long term incentive plan.

Targeted Developments

Following the completion and release of its Pre-Feasibility Study on 22 May 2024, and its receipt of a positive spatial planning assessment under Stage 1 of the regulatory approvals process in Thuringia, Germany on 14 June 2024, the Company's attention has now turned to undertaking comprehensive due diligence and progressing the negotiation and execution of the binding documents for the acquisition of the Sollstedt mine (refer to Figure 1 below), progressing permitting and undertaking internal optimisation works focusing on the future development of Ohmgebirge and evaluating synergy opportunities afforded via the Sollstedt purchase.

In addition, the Company intends to seek a strategic financial investor / project development partner with a view to progressing to a Feasibility Study and completion of the permitting process.

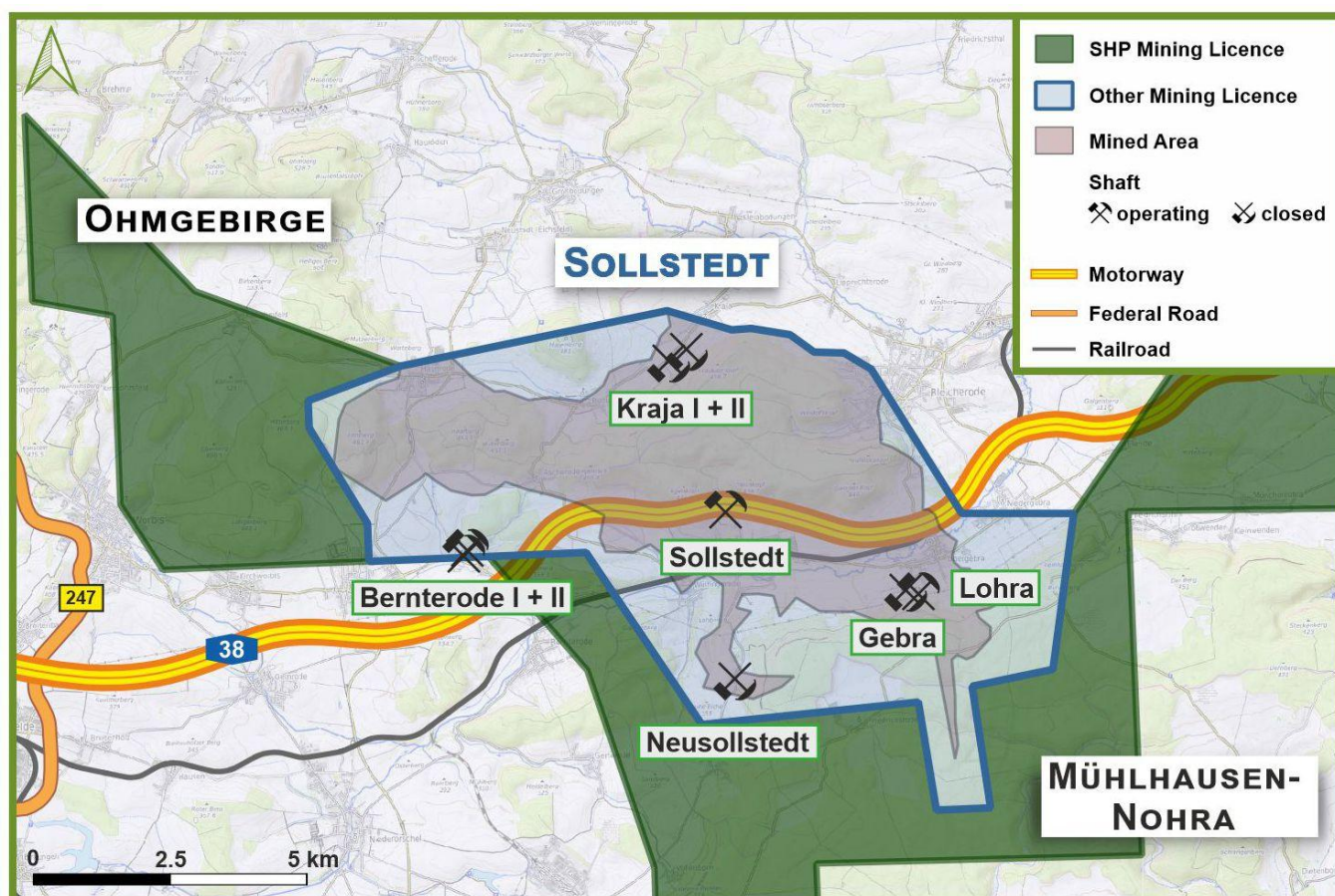


Figure 1: Plan view of the Ohmgebirge and Muhlhausen-Nohra Perpetual Mining Licences plus the contiguous Sollstedt property inclusive of substantial existing shaft infrastructure and existing backfill areas.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Project Development Funding

Following the end of the half-year, the Company engaged specialist mining finance advisor Cutfield Freeman & Co to assist with assessing potential project development funding pathways including identifying potential strategic partners to progress the Ohmgebirge project to the Feasibility Study stage and beyond.

Creditor Balances

Following the end of the half-year, the Company agreed with two creditors of its wholly-owned German subsidiary, Sud Harz Kali GmbH ("SHK") to defer invoice payments totalling €784,772 (\$1,313,141) as at 31 December 2024. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec and Ercosplan which was announced on the ASX on 22 May 2024 (refer ASX announcement dated 22 May 2024, *Sollstedt Mine Purchase, Ohmgebirge PFS & Maiden Ore Reserve*). The balances payable are reflected as current liabilities in the Company's Statement of Financial Position as at 31 December 2024.

Subsequent to the half year end, the Company has:

- i. Agreed binding terms with K-Utec to defer the payment of invoices owing, totalling EUR €309,861 (\$518,483), until 31 December 2026. The Company is paying interest monthly at a rate of 5% per annum on this amount owed and will continue to do so until the debt has been repaid.
- ii. Agreed non-binding terms with Ercosplan to defer the payment of invoices owing, totalling EUR €474,911 (\$794,658), until 31 December 2026. As part of the terms, the Company has agreed to grant a first ranking mortgage over its interest in the Ebeleben mining lease in Thuringia, Germany, as security for the amount owed. Binding documentation in this regard is being prepared and the parties have agreed a "standstill" in

relation to these invoices as the security documentation is being progressed. The Company is paying interest monthly at a rate of 5% per annum on this amount owed and will continue to do so until the debt has been repaid.

Capital Raising

On 28 February 2025, the Company announced that it had completed an initial placement of 29,850,000 new shares at \$0.01 per share for gross proceeds received of A\$298,500. These shares were issued under the Company's existing ASX Listing Rule 7.1A placement capacity.

The Company also announced that it had received binding subscriptions for the issue of a further 20,150,000 new shares as follows:

- 5,000,000 new shares to a sophisticated and professional investor, expected to be allotted by 23 April 2025 (also to be issued under ASX Listing Rule 7.1A placement capacity); and
- 15,150,000 new shares to the directors (or their related parties), subject to receipt of shareholder approval at the Company's next general meeting (which is expected to be held on 23 April 2025). This comprised 6,600,000 shares to Len Jubber (or his related entity), 7,550,000 shares to Rory Luff (or his related entities) and 1,000,000 shares to Reinout Koopmans.

Acquisition of Sollstedt

Activities for the purchase of the neighbouring Sollstedt mine property from Deusa International GmbH ("Deusa") continued to advance. Due diligence is progressing and the parties are negotiating detailed terms (including arrangements for the asset between document execution and completion of the purchase) to be included in binding definitive transaction documentation, which is set to follow. Subsequent to the half-year end, the exclusivity date agreed with Deusa for the conduct of these negotiations was extended to 31 July 2025.



Figure 2: Potash ore seams at the Sollstedt mine

GOING CONCERN

The financial report has been prepared on a going-concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds.

The directors are satisfied that the going concern basis of preparation is appropriate based on the cash-flow forecasts, and subject to the completion of the current and potential future capital raises, as mentioned above.

ESG AND RISK

In 2022, South Harz adopted the roadmap developed with the assistance of WSP/Golder consultants. Based on this report and roadmap, South Harz updated its ESG policy in 2023.

An action plan for the implementation of an appropriate Standards and Measurement System (ESMS) was developed based on the legal reporting requirements for companies and milestones based on the applicable guidelines in the European Economic Area. An important milestone is the establishment of an ESG reporting system according to European guidelines, primarily the EU CSRD Directive including the European Sustainability Reporting Standards (ESRS), published on 31 July 2023. These regulations are expected to apply to the Company's projects during their operational phases. Independent assessments against international standards GRI and CDPA will be undertaken following the eventual commencement of the Feasibility Study for the Ohmgebirge project. and will also address health and safety issues, labour standards and environmental legislation compliance considerations, including carbon footprint and climate change impacts. The Board's emphasis is on good governance, the safety of the Company's staff, local communities and the protection of the environment.

Key risks

There are a range of potential economic, funding, engineering, development, operational, environmental, regulatory, social and other risks to the Company and its projects and opportunities. The future performance of the Company and the value of its securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the directors.

The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in the Company's recent ASX announcement dated 9 August 2024, *Rights Issue Prospectus* ("Prospectus").

The risks factors set out in the Prospectus, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of its securities, and is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Corporate Governance

The Company has in place Corporate Governance procedures and policies in line with the latest ASX Corporate Governance Principles and Recommendations – 4th Edition. All members of the Board believe strongly in the importance of good corporate governance to assist in achieving objectives and in accountability to stakeholders. The Board meets every two months and has the following sub committees which meet as necessary: Nomination & Remuneration, Audit & Risk and Technical. The Company has developed a board skills matrix, which is reviewed by the Board at an appropriate frequency, to help assess its key competencies and any skills gaps that may exist. The Chair also undertakes annual assessments of individual Board members to evaluate overall Board performance. The Company also maintains a Risk Register which is reviewed regularly by the Audit Committee and is an

interactive tool to recognise, mitigate and manage key risks.

AUDIT INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration in relation to the review for the half-year ended 31 December 2024 is provided with this report.

This report is made in accordance with a resolution of the directors, pursuant to section 307(c) of the Corporations Act 2001.

On behalf of the directors:

A handwritten signature in black ink, appearing to read 'Len Jubber', written in a cursive style.

Len Jubber – Executive Chairman
14 March 2025

DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF SOUTH HARZ POTASH LIMITED

As lead auditor for the review of South Harz Potash Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of South Harz Potash Limited and the entities it controlled during the period.



Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 14 March 2025

Financial report

General information

The financial report covers South Harz Potash Limited as a consolidated entity consisting of South Harz Potash Limited and the entities it controlled. The financial report is presented in Australian dollars, which is South Harz Potash Limited's functional and presentation currency.

The financial report consists of financial statements, notes to the financial statements and the Directors' Declaration.

South Harz Potash Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

Unit 13
6-10 Douro Place
West Perth WA 6005
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial report.

Statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

		Consolidated	
	Note	Dec 2024 A\$	Dec 2023 A\$
Revenue from continuing operations			
Interest income	4	1,224	1,124
Expenses			
Exploration and development costs		(265,379)	(3,427,993)
Administration expenses		(305,706)	(542,533)
Corporate expenses		(507,767)	(600,655)
Director fees and key management costs		(137,083)	(754,880)
Depreciation and amortisation expense		(12,810)	(19,809)
Interest expense		(53,892)	
Foreign exchange (loss)/gain		-	(7,562)
Consulting expenses		(273,842)	(107,133)
Share-based payments		(116,034)	(328,828)
Loss before income tax expense		(1,671,289)	(5,788,269)
Income tax expense		-	-
Loss after income tax expense		(1,671,289)	(5,788,269)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation reserve		25,902	(179,329)
Other comprehensive gain /(loss) for the year net of tax		25,902	(179,329)
Total comprehensive loss for the year		(1,645,387)	(5,967,598)
		Consolidated	
		Dec 2024 A\$	Dec 2023 A\$
Earnings per share for loss attributable to the owners of South Harz Potash Limited			
Basic loss per share		(0.18)	(1.66)
Diluted loss per share		(0.18)	(1.66)

The financial statements should be read in conjunction with the accompanying notes.

Statement of financial position as at 31 December 2024

	Note	Consolidated Dec 2024	Jun 2024
		A\$	A\$
Assets			
Current assets			
Cash and cash equivalents	5	566,808	253,632
VAT other receivables	6	220,777	255,187
Total current assets		787,585	508,819
Non-current assets			
Property, plant and equipment		65,403	75,445
Exploration and evaluation	7	2,076,936	1,996,525
Total non-current assets		2,142,339	2,071,970
Total assets		2,929,924	2,580,789
Liabilities			
Current liabilities			
Trade and other payables	8	1,879,440	2,094,973
Total current liabilities		1,879,440	2,094,973
Total liabilities		1,879,440	2,094,973
Net assets		1,050,484	485,816
Equity			
Issued capital	9	41,479,958	39,385,937
Reserves	10	2,600,508	2,458,572
Accumulated losses		(43,029,982)	(41,358,693)
Total equity		1,050,484	485,816

The financial statements should be read in conjunction with the accompanying notes.

Statement of changes in equity for the half-year ended 31 December 2024

	Contributed Equity	Performance Rights Reserve	Option Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	A\$	A\$	A\$	A\$	A\$	A\$
Balance as 1 July 2024	39,385,937	-	2,262,245	196,327	(41,358,693)	485,816
Loss after income tax expenses for the year	-	-	-	-	(1,671,289)	(1,671,289)
Other comprehensive income for the year, net of tax	-	-	-	25,902	-	25,902
Total comprehensive income/(loss) for the year	-	-	-	25,902	(1,671,289)	(1,645,387)
Transactions with owners in their capacity as owners: Contributions of equity, net of transaction costs	2,094,021	-	-	-	-	2,094,021
Share-based payments	-	14,819	101,215	-	-	116,034
Balance at 31 December 2024	41,479,958	14,819	2,363,460	222,229	(43,029,982)	1,050,484

	Contributed Equity	Performance Rights Reserve	Option Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	A\$	A\$	A\$	A\$	A\$	A\$
Balance as 1 July 2023	33,729,999	-	1,543,448	323,539	(32,207,674)	3,389,312
Loss after income tax expenses for the year	-	-	-	-	(5,788,269)	(5,788,269)
Other comprehensive income for the year, net of tax	-	-	-	(179,329)	-	(179,329)
Total comprehensive income/(loss) for the year	-	-	-	(179,329)	(5,788,269)	(5,967,598)
Transactions with owners in their capacity as owners: Contributions of equity, net of transaction costs	4,509,655	-	90,424	-	-	4,600,079
Share-based payments	124,551	-	204,277	-	-	328,828
Balance at 31 December 2023	38,364,205	-	1,838,149	144,210	(37,995,943)	2,350,621

The financial statements should be read in conjunction with the accompanying notes.

Statement of cash flows for the half-year ended 31 December 2024

	Note	Dec 2024 A\$	Dec 2023 A\$
Cash flows from operating activities			
Interest received		1,224	1,124
Interest expense		(53,892)	-
Exploration & Development costs		(265,379)	(3,427,993)
Payments to suppliers and employees		(1,256,606)	(1,426,116)
Net cash used in operating activities		(1,574,653)	(4,852,985)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(319)
Net cash used in investing activities		-	(319)
Cash flows from financing activities			
Proceeds from issue of shares		1,936,656	4,873,885
Proceeds from borrowings		100,000	
Capital raising costs		(149,886)	(273,806)
Net cash from financing activities		1,886,770	4,600,079
(Decrease)/ increase in cash and cash equivalents		312,117	(253,225)
Cash and cash equivalents at beginning of year		253,632	2,267,185
Effects of foreign exchange cash movements		1,059	142,581
Cash and cash equivalents at end of the year	5	566,808	2,156,541

The financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements 31 December 2024

Note 1. Material accounting policy information

Basis of preparation and accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Exploration and evaluation assets

It is the Company's policy to capitalise the cost of acquiring rights to explore areas of interest. All other exploration and development expenditure is charged against earnings as incurred and included as part of cash flows from operating activities.

The costs of acquisition are carried forward as an asset provided one of the following conditions is met:

- a. Such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively, by its sale; or
- b. Exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest' to determine whether expenditure is expensed as incurred or capitalised as an asset. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Pre-production costs are deferred as development costs until such time as the asset is capable of being operated in a manner intended by management. Capitalised expenses then become an active asset and are depreciated. Post-production costs are recognised as a cost of production.

Any development expenditure incurred once a mine property is in production is immediately expensed to the Statement of Profit and Other Comprehensive Income except where it is probable that future economic benefits will flow to the entity, in which case it is capitalized as property, plant and equipment.

Information used in the review process is rigorously tested to externally available information as appropriate

New or amended accounting standards and interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the half-year ended 31 December 2024, the Company incurred a total comprehensive loss of \$1,645,387 (half-year ended 31 December 2023: loss of \$5,967,598) and incurred cash outflows from operations of \$1,574,653 (half-year ended 31 December 2023: outflow of \$4,852,985)

Directors are aware that additional capital would be required to meet operational costs and to advance its Ohmgebirge project. Having carefully assessed the uncertainties relating to the likelihood of securing additional funding and the consolidated entity's ability to effectively manage its operations and working capital requirements, the directors believe that the consolidated entity will continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis which assumes the extinguishment of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is principally dependent upon its ability to secure funds by raising capital from equity markets and managing cash flow in line with available funds.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

Based on the cash-flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, given the following:

- The Company has the ability to defer discretionary costs as and when required.
- In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2. Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity Holding	
		Dec-2024	Jun-2024
South Harz Potash (Australia) Pty Ltd	Australia	100%	100%
Südharz Kali GmbH	Germany	100%	100%

Note 3. Segment reporting*Identification of reportable operating segments.*

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

Geographical information

	Sales to external customers		Non-current assets	
	Dec-2024	Dec-2023	Dec-2024	Jun-2024
	\$	\$	\$	\$
Australia	-	-	-	-
Germany	-	-	2,142,339	2,071,970
	-	-	2,142,339	2,071,970

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Income

	Consolidated	
	Dec-2024	Dec-2023
	\$	\$
Interest income	1,224	1,124

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	Dec-2024	Jun-2024
	\$	\$
Cash at bank	566,808	253,632
	566,808	253,632

Note 6. VAT and other receivables

	Consolidated	
	Dec-2024	Jun-2024
	\$	\$
Deposits & other receivables	82,255	63,019
VAT & GST refunds	138,522	192,168
	220,777	255,187

Note 7. Non-current assets - exploration and evaluation

	Consolidated	
	Dec-2024	Jun-2024
	\$	\$
Exploration and evaluation - at cost	2,076,936	1,996,525
	2,076,936	1,996,525
Reconciliations at the beginning and end of the current and previous financial year are set out below:		Exploration
Consolidated		\$
Balance at 1 July 2024		1,996,525
Additions		-
Exchange difference on opening balance		80,411
Balance at 31 December 2024		2,076,936
Balance at 1 July 2023		2,042,924
Additions		-
Exchange difference on opening balance		(34,771)
Balance at 31 December 2023		2,008,153

Note 8. Current trade and other payables

	Consolidated	
	Dec-2024	Jun-2024
	\$	\$
Trade payables ¹	1,705,705	1,785,742
Other payables	173,735	309,231
	1,879,440	2,094,973

¹Trade payables balances owing to two creditors of the Company's wholly-owned German subsidiary, Sud Harz Kali GmbH ("SHK") totalling €784,772 (\$1,313,141) as at 31 December 2024. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec and Ercosplan which was announced on the ASX on 22 May 2024 (refer ASX announcement dated 22 May 2024, *Sollstedt Mine Purchase, Ohmgebirge PFS & Maiden Ore Reserve*). SHK is paying interest to these creditors at 5% per annum on the amount owed a monthly basis until the debts have been repaid. Subsequent to the half year end, the Company has:

- i. Agreed binding terms with K-Utec to defer the payment of invoices owing, totalling EUR €309,861 (\$518,483), until 31 December 2026.
- ii. Agreed non-binding terms with Ercosplan to defer the payment of invoices owing, totalling EUR €474,911 (\$794,658), until 31 December 2026. As part of the terms, the Company has agreed to grant a first ranking mortgage over its interest in the Ebeleben mining lease in Thuringia, Germany, as security for the amount owed. Binding documentation in this regard is being prepared and the parties have agreed a "standstill" in relation to these invoices as the security documentation is being progressed.

²During July 2024, the Company borrowed funds totalling \$100,000 under two unsecured director loans which had been provided by related party entities of directors, Len Jubber and Rory Luff. These loans were fully repaid by way of an offset against subscription monies owing for the placement of shares to these director-related entities on 16 December 2024 which was approved at the Company's 2024 annual general meeting. Interest expense totalling \$3,896, calculated at 10% per annum on the drawn funds, was paid to these director-related entities in the half-year.

Note 9. Equity – Issued Capital

	Consolidated		Consolidated	
	Dec-2024	Jun-2024	Dec-2024	Jun-2024
	No.	No.	\$	\$
Ordinary shares - fully paid	1,052,728,708	827,184,972	41,479,958	39,385,937
Ordinary share capital				
Details	Date	No of shares	Issue Price	\$
Opening Balance	01-Jul-24	827,184,972		39,385,937
Placement Shares	09-Aug-24	58,733,300	\$0.010	587,333
Placement Shares (in lieu of services) ¹	09-Aug-24	4,150,000	\$0.010	41,500
Entitlement Issue Shares	23-Sep-24	52,646,481	\$0.010	526,465
Entitlement Issue Shares (in lieu of services) ¹	23-Sep-24	1,463,165	\$0.010	14,632
Placement of Shortfall Shares	19-Nov-24	42,550,000	\$0.010	425,500
Placement Shares (in lieu of services) ¹	20-Nov-24	4,147,500	\$0.010	41,475
Placement of Shortfall Shares	11-Dec-24	14,000,000	\$0.010	140,000
Director Placement Shares	16-Dec-24	25,735,900	\$0.010	257,359
Director Placement Shares ²	16-Dec-24	19,380,790	\$0.010	193,808
Placement Shares (in lieu of services) ¹	31-Dec-24	2,736,600	\$0.010	27,366
Capital raising costs				(161,416)
Closing Balance	31-Dec-24	1,052,728,708		41,479,958

¹ Placement Shares and Entitlement Shares (in lieu of services) were issued to a number of service providers of the Company who agreed to be issued shares as consideration for the payment of certain services provided to the Company.

² Director Placement Shares were issued to directors for which consideration included the offset of \$193,807 of creditor balances owing to the directors, comprising loans from director-related entities of Len Jubber and Rory Luff of \$100,000 and accrued and unpaid non-executive directors fees totalling \$93,807.

Note 10. Equity - reserves

	Consolidated	
	Dec-2024	Jun-2024
	\$	\$
Foreign currency translation reserve	222,229	196,327
Performance rights reserve	14,819	-
Option right reserves	2,363,460	2,262,245
	2,600,508	2,458,572

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Performance rights reserve

The reserve is used to recognise the fair value of performance rights issued to directors, employees and brokers.

Option right reserve

The reserve is used to recognise the fair value of options issued to directors, employees and brokers.

Note 11. Equity - Options

Grant date	Expiry date	Exercise price	Fair Value	Balance at the start of the year	Issued in year	Exercised in the year	Expired in the year	Balance at the end of year	Exercisable at year end	Note
02-Dec-20	02-Dec-24	\$0.0800	\$0.03000	3,500,000	-	-	(3,500,000)	-	3,500,000	[3]
02-Dec-20	02-Dec-24	\$0.1200	\$0.02600	3,500,000	-	-	(3,500,000)	-	3,500,000	[3]
27-May-21	27-May-26	\$0.2030	\$0.04690	4,606,605	-	-	-	4,606,605	4,606,605	[3]
05-Aug-21	05-Aug-26	\$0.1511	\$0.02129	192,069	-	-	-	192,069	192,069	[4]
20-Dec-21	17-Dec-24	\$0.1800	\$0.06346	2,192,084	-	-	(2,192,084)	-	2,192,084	[2]
20-Dec-21	17-Dec-24	\$0.2400	\$0.05503	2,192,084	-	-	(2,192,084)	-	2,192,084	[2]
30-Mar-22	30-Mar-27	\$0.1606	\$0.17044	2,382,000	-	-	-	2,382,000	1,449,000	[3][4] [S]
30-Sep-22	30-Sep-27	\$0.1200	\$0.03288	2,618,000	-	-	-	2,618,000	-	[4] [M][S]
17-Oct-22	17-Oct-26	\$0.1230	\$0.02897	1,000,000	-	-	-	1,000,000	-	[3] [M]
02-Nov-22	31-Oct-27	\$0.0550	\$0.03790	2,000,000	-	-	-	2,000,000	2,000,000	[3]
02-Nov-22	31-Oct-27	\$0.0820	\$0.03490	2,000,000	-	-	-	2,000,000	2,000,000	[3]
02-Nov-22	31-Oct-27	\$0.1090	\$0.03260	2,000,000	-	-	-	2,000,000	2,000,000	[3]
02-Nov-22	31-Oct-27	\$0.1360	\$0.03070	2,000,000	-	-	-	2,000,000	2,000,000	[3]
10-Nov-22	10-Nov-27	\$0.1500	\$0.02856	4,623,000	-	-	-	4,623,000	-	[3] [M][S]
24-Nov-22	23-Nov-25	\$0.0900	\$0.02480	3,366,667	-	-	-	3,366,667	3,366,667	[2]
10-Feb-23	30-Sep-27	\$0.1200	\$0.02446	200,000	-	-	-	200,000	-	[4] [M][S]
23-Feb-23	01-Jan-28	\$0.0660	\$0.02348	3,000,000	-	-	-	3,000,000	3,000,000	[4]
23-Feb-23	01-Jan-28	\$0.0880	\$0.02110	3,000,000	-	-	-	3,000,000	3,000,000	[4]
23-Feb-23	27-May-25	\$0.2030	\$0.00375	1,000,000	-	-	-	1,000,000	-	[3] [M]
10-Aug-23	10-Aug-26	\$0.0800	Nil	20,123,480	-	-	-	20,123,480	20,123,480	[1]
10-Aug-23	10-Aug-26	\$0.0800	\$0.01194	5,478,790	-	-	-	5,478,790	5,478,790	[2]
21-Aug-23	21-Aug-27	\$0.0640	\$0.01767	1,000,000	-	-	-	1,000,000	1,000,000	[3]
26-Sep-23	31-Oct-28	\$0.0560	\$0.02122	9,134,000	-	-	-	9,134,000	-	[4] [M][S]
26-Oct-23	31-Oct-28	\$0.0560	\$0.01785	19,181,000	-	-	-	19,181,000	-	[3] [M][S]
24-Nov-23	24-Nov-26	\$0.0800	Nil	1,375,000	-	-	-	1,375,000	1,375,000	[3]
19-Dec-23	19-Dec-26	\$0.0800	Nil	8,249,937	-	-	-	8,249,937	8,249,937	[1]
21-Dec-23	21-Dec-26	\$0.0800	\$0.00715	3,500,000	-	-	-	3,500,000	3,500,000	[2]
				113,414,716	-	-	(11,384,168)	102,030,548	63,341,548	

[1] Free attaching options since they were issued with issue of shares. No value was attached on initial recognition.

[2] Options issued to broker as consideration for broking services

[3] Director options

[4] Options issued to employees and KMPs

[M] Market based vesting conditions (share price levels) apply to these options

[S] Service-based vesting conditions apply to some or all of the director/employee holders of these options

Note 12. Equity – Performance Rights

Grant date	Expiry date	Exercise price	Fair Value	Balance at the start of the year	Issued in year	Exercised in the year	Expired in the year	Balance at the end of year	Exercisable at year end	Note
28-Nov-24	30-Nov-29	Nil	\$0.00993	-	8,000,000	-	-	8,000,000	-	[5][S]
28-Nov-24	01-Jul-27	Nil	\$0.0099	-	5,250,000	-	-	5,250,000	-	[5][M][S]
28-Nov-24	01-Jan-30	Nil	\$0.0099	-	8,750,000	-	-	8,750,000	-	[5][M][S]
28-Nov-24	01-Jan-29	Nil	\$0.0099	-	5,250,000	-	-	5,250,000	-	[5][M][S]
28-Nov-24	01-Jul-29	Nil	\$0.0099	-	12,250,000	-	-	12,250,000	-	[5][M][S]
28-Nov-24	01-Jul-29	Nil	\$0.0099	-	9,000,000	-	-	9,000,000	-	[M][S]
				-	48,500,000	-	-	48,500,000	-	

[5] Director performance rights

[M] Market based vesting conditions (share price levels) apply to these performance rights

[S] Service-based vesting conditions apply to some or all of the director/employee holders of these performance rights

Note 13. Subsequent events**Project Development Funding**

Following the end of the half-year, the Company engaged specialist mining finance advisor Cutfield Freeman & Co to assist with assessing potential project development funding pathways including identifying potential strategic partners to progress the Ohmgebirge project to the Feasibility Study stage and beyond.

Creditor Balances

Following the end of the half-year, the Company agreed with two creditors of its wholly-owned German subsidiary, Sud Harz Kali GmbH ("SHK") to defer invoice payments totalling approximately €784,772 (\$1,313,141) as at 31 December 2024. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec and Ercosplan which was announced on the ASX on 22 May 2024 (refer ASX announcement dated 22 May 2024, *Sollstedt Mine Purchase, Ohmgebirge PFS & Maiden Ore Reserve*). The balances payable are reflected as current liabilities in the Company's Statement of Financial Position as at 31 December 2024.

Subsequent to the half year end, the Company has:

- Agreed binding terms with K-Utec to defer the payment of invoices owing, totalling EUR €309,861 (\$518,483), until 31 December 2026. The Company is paying interest monthly at a rate of 5% per annum on this amount owed and will continue to do so until the debt has been repaid.
- Agreed non-binding terms with Ercosplan to defer the payment of invoices owing, totalling EUR €474,911 (\$794,658), until 31 December 2026. As part of the terms, the Company has agreed to grant a first ranking mortgage over its interest in the Ebeleben mining lease in Thuringia, Germany, as security for the amount owed. Binding documentation in this regard is being prepared and the parties have agreed a "standstill" in relation to these invoices as the security documentation is being progressed. The Company is paying interest monthly at a rate of 5% per annum on this amount owed and will continue to do so until the debt has been repaid.

Capital Raising

On 28 February 2025, the Company announced that it had completed an initial placement of 29,850,000 new shares at \$0.01 per share for gross proceeds received of A\$298,500. These shares were issued under the Company's existing ASX Listing Rule 7.1A placement capacity.

The Company also announced that it had received binding subscriptions for the issue of a further 20,150,000 new shares as follows:

- 5,000,000 new shares to a sophisticated and professional investor, expected to be allotted by 23 April 2025 (also to be issued under ASX Listing Rule 7.1A placement capacity); and
- 15,150,000 new shares to the directors (or their related parties), subject to receipt of shareholder approval at the Company's next general meeting (which is expected to be held on 23 April 2025). This comprised 6,600,000 shares to Len Jubber (or his related entity), 7,550,000 shares to Rory Luff (or his related entities) and 1,000,000 shares to Reinout Koopmans.

Acquisition of Sollstedt

Activities for the purchase of the neighbouring Sollstedt mine property from Deusa International GmbH ("Deusa") continued to advance. Due diligence is progressing and the parties are negotiating detailed terms (including arrangements for the asset between document execution and completion of the purchase) to be included in binding definitive transaction documentation, which is set to follow. Subsequent to the half-year end, the exclusivity date agreed with Deusa for the conduct of these negotiations was extended to 31 July 2025.

Note 14. Contingent liabilities

There were no contingent liabilities as at the reporting date.

Directors' Declaration

1. In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half year ended on that date; and
- Subject to the completion of the current and potential future capital raises, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Len Jubber – Executive Chairman
14 March 2025
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SOUTH HARZ POTASH LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of South Harz Potash Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of 'BDO' in blue ink.

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold
Director

Adelaide, 14 March 2025