



South Harz Potash Limited

ABN 64 153 414 852

Half year Financial Report - 31 December 2023

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Corporate directory

Directors

Len Jubber
Non-Executive Chairman

Luis Cabrita da Silva
Managing Director and CEO

Dr Reinout Koopmans
Non-Executive Director

Rory Luff
Non-Executive Director

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

Auditor

BDO Audit Pty Ltd
Level 7, 420 King William Street, Adelaide SA 5000 Australia

Solicitors

Steinepreis Paganin
16 Milligan Street, Perth WA 6000, Australia

Bankers

Barclays Bank /National Australia Bank

Stock exchange listing

South Harz Potash Limited shares are listed on the Australian Securities Exchange (ASX code: SHP)

Share registry

Automatic 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

The Company's Corporate Governance Statement is available on the Company's website.

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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 2023.

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
Len Jubber	Non-Executive Chairman (formerly Independent Non – Executive Director. Appointed as Chairman on 1 February 2024.
Luis Cabrita da Silva	Chief Executive & Managing Director
Dr. Reinout Koopmans	Independent Non-Executive Director
Rory Luff	Non-Independent Non-Executive Director
Ian Farmer	Former Non - Executive Chairman. Resigned 26 January 2024
Seamus Cornelius	Independent Non-Executive Director (appointed 21 Aug 2023. Resigned 10 March 2024)

Company Secretary

Graeme Smith

Principal Activities

The development of mineral exploration assets.

Review of Operations

The total comprehensive loss for the six months ended 31 December 2023 was A\$5,967,598 (half-year ended 31 December 2022: A\$3,183,156).

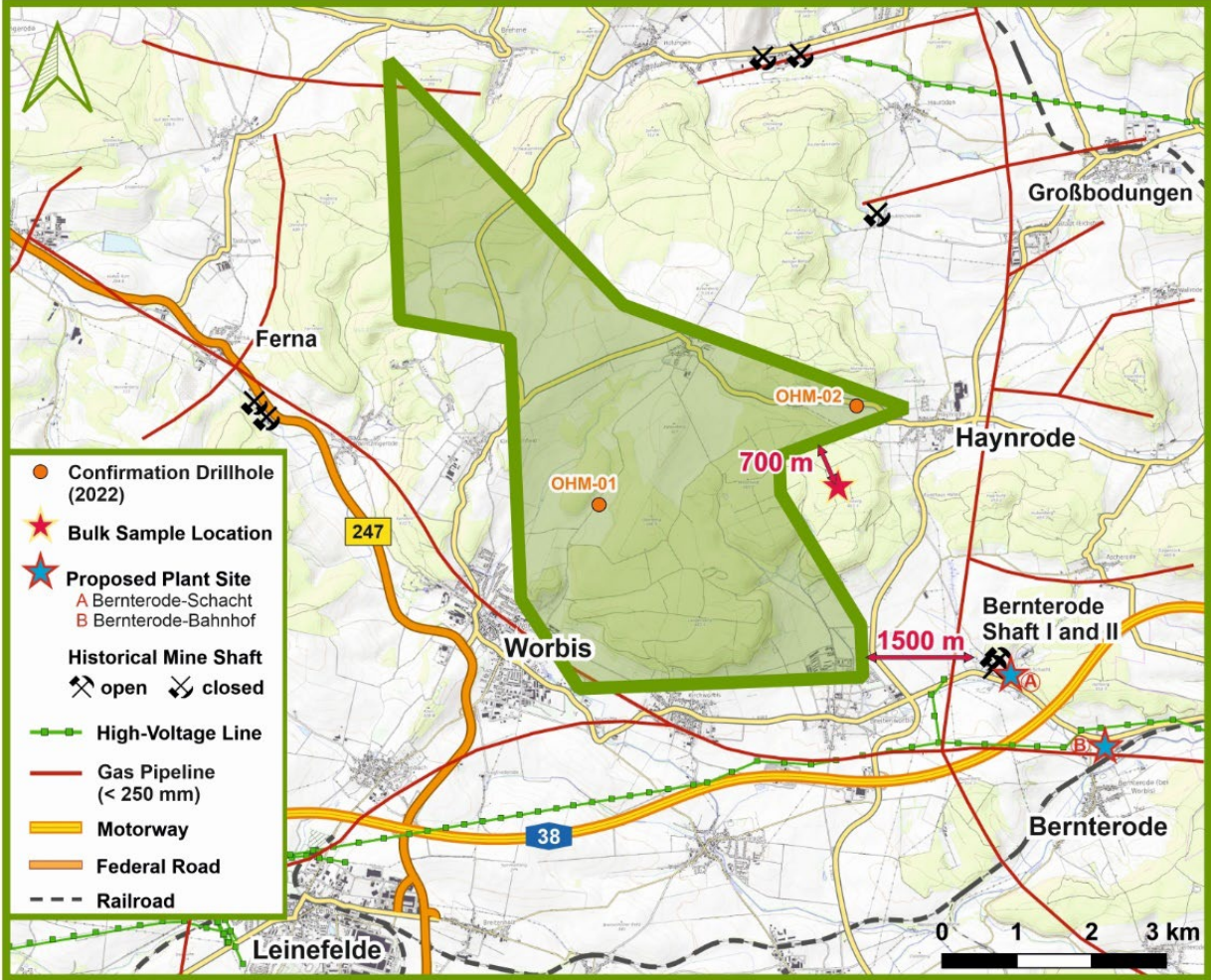
Highlights during the six-month period to 31 December 2023 included:

- On 31 August 2023 South Harz announced the completion of a capital raise totalling A\$3.6 million
- On 7 December 2023, South Harz provided an update on the progress of the Ohmgebirge PFS:
 - Ongoing review of mine planning driving further efficiencies.
 - Baseline process flow sheet, including mass balance.
 - Surface water containment design finalised including 100-year run-off event capture capacity.

- Power, water and gas supplies have been identified and a preliminary estimate for connection has been provided by each of the local utility supplier. All equipment and contract work required has been included in the estimate.
 - Product storage and loadout strategy refined to maximise rail freight utilisation, thereby reducing truck traffic and minimising GHG emissions.
 - Ongoing value engineering activities driving capital and operating cost efficiencies for a brownfield development.
- On 2 November 2023 South Harz announced the execution of a non-binding Memorandum of Understanding (**MoU**) was executed with Ohmgebirge neighbour, NDH-E/DEUSA International GmbH (**Deusa**), for long-term utilisation of existing Bernterode shaft and associated infrastructure (See Fig 1 below):
 - Delivers brownfield development pathway utilising proximate existing shaft infrastructure that offers substantial time, capital cost and footprint advantages versus greenfield shaft construction.
 - Exclusivity granted until 31 March 2024 to reach definitive commercial agreement.
 - Brownfield Pre-Feasibility Study incorporating infrastructure in tandem with value engineering.
 - On 8 November 2023 South Harz announced that a Spatial Planning Application for Ohmgebirge had been submitted to the responsible regulatory authority, marking a major milestone in the Ohmgebirge development process.
 - The regulatory period for decision is a maximum of 6 months i.e. by early June 2024.
 - On 9 February 2024 South Harz announced that up to A\$2.4 million in new funding was to be targeted via an equity placement -A\$1.2 million net was raised at an issue price of A\$0.023 per share, and up to a further A\$1.2 million to be raised from a Rights Issue to enable completion of the Ohmgebirge Pre-Feasibility Study (**PFS**) targeting utilisation of the brownfield Bernterode shaft infrastructure as the base case development pathway.

Figure 1: Location of Bernterode Shaft in relation to proposed Ohmgebirge Development.

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The area outlined in green above represents the Ohmgebirge project area. Note the proximity to the Bernterode former potash mine site with its existing shaft and infrastructure

Finance Report

Total expenditure for the half year was A\$5,788,269. The relatively high level of this expenditure reflects studies carried out by external consultants with respect to the Pre Feasibility Study which will be completed by the end of March 2024. Therefore expenditure going forward will be significantly lower.

Cash at the end of 31 December 2023 was A\$2,156,541

Matters Subsequent to The End of The Financial Period

On 9 January 2024 the Company issued a Prospectus to enable eligible shareholders to participate in a rights issue of one (1) Share for every fifteen (15) Shares held by eligible shareholders on 15 January 2024, at an issue price of \$0.023 per Share, to raise up to \$1,196,152 (before costs). On 7 February the Company advised that it had resolved to extend

the Closing Date for its Entitlement Issue from 5.00pm (WST) Monday, 12 February 2024 to 5.00pm (WST) Monday, 26 February 2024

On 25 January 2024, 11,875,999 options expired without exercise.

On 23 February 2024 the Company announced it had signed a non binding MOU with Euroports to advance commercial discussions towards a potential long-term agreement for the storage, handling and export of potash

On 28 February 2024 it was announced that on 26 February 2024 the Entitlement Offer was closed as follows:

52,005,593 shares had been offered. 21,282,628 new shares had been applied for (raising \$489,500 before costs).

There was a shortfall of 30,722,965 shares (underwritten by Directors 4,198,206 shares equating to \$96559

The remaining 26,524,759 shares remain to be placed at the time of this report

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,

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ESG and Risk

In the autumn of 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 spring 2023. Responsibility for ESG was placed at Director level. Our next steps are a decision on the appropriate Standards and Measurement System (ESMS).

An action plan for the implementation of an ESMS was developed based on the legal reporting requirements for companies and their content for sustainability reporting. In line with the recommended timeline for SHP/SHK, the work in the ESG framework is divided into different milestones based on the applicable guidelines in the European Economic Area. The next most important milestone is the establishment of an ESG reporting system according to European guidelines, primarily the EU CSRD Directive including the brand-new European Sustainability Reporting Standards (ESRS), published on 31 July 2023. These regulations will apply for SHP later for operations -and of course the international standards GRI and CDPA full independent assessment will be carried out as part of our Defined Feasibility study due to commence in the next calendar year. This will also address health and safety issues, labour standards and environmental legislation compliance considerations, as well as confirm our carbon footprint and climate change review. The Board's emphasis is on our local communities, the safety of our staff, the protection of our environment, and good 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: Remuneration, Nominations, Audit and Technical. The Chair has developed a board skills matrix, which is reviewed by the Nominations Committee, in order to help assess its key competencies and any skills gaps that may exist. The Chair also undertakes annual assessments of individual Board members in order to evaluate overall Board performance. We have also developed 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 2023 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:



Len Jubber - Chairman
15 March 2024



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GPO Box 2018 Adelaide SA 5001
Australia

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 2023, 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, 15 March 2024

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.

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Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023

	Note	Consolidated	
		Dec 2023 A\$	Dec 2022 A\$
Revenue from continuing operations			
Other income	4	1,124	213
Expenses			
Exploration and development costs		(3,427,993)	(1,298,864)
Administration expenses		(542,533)	(381,228)
Corporate expenses		(600,655)	(546,917)
Director fees and key management costs		(754,880)	(706,129)
Depreciation and amortisation expense		(19,809)	(9,356)
Foreign exchange (loss)/gain		(7,562)	(5,651)
Consulting expenses		(107,133)	(344,008)
Share-based payments		(328,828)	(163,415)
Loss before income tax expense		(5,788,269)	(3,455,355)
Income tax expense		-	-
Loss after income tax expense		(5,788,269)	(3,455,355)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation reserve		(179,329)	272,199
Other comprehensive gain /(loss) for the year net of tax		(179,329)	272,199
Total comprehensive loss for the year		(5,967,598)	(3,183,156)
Earnings per share for loss attributable to the owners of South Harz Potash Limited			
Basic loss per share		(1.66)	(0.47)
Diluted loss per share		(1.66)	(0.47)

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

Consolidated statement of financial position as at 31 December 2023

	Note	Consolidated	
		Dec 2023	Jun 2023
		A\$	A\$
Assets			
Current assets			
Cash and cash equivalents	5	2,156,541	2,267,185
VAT other receivables	6	379,549	257,869
Total current assets		2,536,090	2,525,054
Non-current assets			
Property, plant and equipment		99,152	118,642
Exploration and evaluation	8	2,008,153	2,042,924
Total non-current assets		2,107,305	2,161,566
Total assets		4,643,395	4,686,620
Liabilities			
Current liabilities			
Trade and other payables	7	2,292,774	1,297,308
Total current liabilities		2,292,774	1,297,308
Total liabilities		2,292,774	1,297,308
Net assets		2,350,621	3,389,312
Equity			
Issued capital	9	38,364,205	33,729,999
Reserves	10	1,982,359	1,866,987
Accumulated losses		(37,995,943)	(32,207,674)
Total equity		2,350,621	3,389,312

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

Consolidated statement of changes in equity for the half-year ended 31 December 2023

	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:	4,509,655	-	90,424	-	-	4,600,079
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Performance rights reserves- reversal	-	-	-	-	-	-
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

	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 2022	30,916,150	57,573	1,091,022	(199,197)	(23,613,228)	8,252,320
Loss after income tax expenses for the year	-	-	-	-	(3,455,355)	(3,455,355)
Other comprehensive income for the year, net of tax	-	-	-	272,199	-	272,199
Total comprehensive income/(loss) for the year	-	-	-	272,199	(3,455,355)	(3,183,156)
Transactions with owners in their capacity as owners:	2,217,304	-	83,494	-	-	2,300,798
Contributions of equity, net of transaction costs	-	(62,105)	-	-	62,105	-
Performance rights reserves- reversal	-	(62,105)	-	-	62,105	-
Share-based payments	2,795	4,532	156,088	-	-	163,415
Balance at 31 December 2022	33,136,249	-	1,330,604	73,002	(27,006,478)	7,533,377

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

Consolidated statement of cash flows for the half-year ended 31 December 2023

	Note	Dec 2023 A\$	Dec 2022 A\$
Cash flows from operating activities			
Interest received		1,124	213
Exploration & Development costs		(3,427,993)	(1,298,864)
Payments to suppliers and employees		(1,426,116)	(2,071,257)
Net cash used in operating activities		(4,852,985)	(3,369,908)
Cash flows from investing activities			
Payments for property, plant and equipment		(319)	(52,108)
Net cash used in investing activities		(319)	(52,108)
Cash flows from financing activities			
Proceeds from issue of shares		4,873,885	2,449,605
Proceeds from options conversion		-	2,795
Capital raising costs (inclusive of options issued to advisor)		(273,806)	(232,301)
Net cash from financing activities		4,600,079	2,220,099
(Decrease)/ increase in cash and cash equivalents		(253,225)	(1,201,917)
Cash and cash equivalents at beginning of year		2,267,185	6,598,835
Effects of foreign exchange cash movements		142,581	429,578
Cash and cash equivalents at end of the year	5	2,156,541	5,826,496

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

Notes to the Consolidated financial statements 31 December 2023

Note 1. Significant accounting policies

Basis of preparation and accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 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

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Any impairment losses are recognised in the statement of profit or loss and other comprehensive income.

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 2023, the Company incurred a total comprehensive loss of \$5,967,598 (half-year ended 31 December 2022: loss of \$3,183,156) and incurred cash outflows from operations of \$4,852,985 (half-year ended 31 December 2022: outflow of \$3,369,908)

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-2023 %	Jun-2023 %
South Harz Potash (Australia) Pty Ltd	Australia	100.00	100.00
Südharz Kali GmbH	Germany	100.00	100.00

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 2023	Dec 2022	Dec 2023	Jun 2023
	\$	\$	\$	\$
Australia	-	-	4,311	3,666
Germany	-	-	2,102,994	2,157,900
	-	-	2,107,305	2,161,566

Note 4. Revenue

	Consolidated	
	Dec 2023	Dec 2022
	A\$	A\$
Other income		
Interest	1,124	213
Revenue from continuing operations	1,124	213

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	Dec 2023	Jun 2023
	A\$	A\$
Cash at bank	2,156,541	2,267,185
	2,156,541	2,267,185

Note 6. VAT and other receivables

	Consolidated	
	Dec 2023	Jun 2023
	A\$	Restated A\$
Deposits	32,199	37,969
Other receivables	102,994	85,546
Less: Provision	(46,298)	(46,298)
VAT receivable	290,654	180,652
	379,549	257,869

Note 7. Other payables

	Consolidated	
	Dec 2023	Jun 2023
	A\$	A\$
Trade and other payables	2,292,774	1,297,308
	2,292,774	1,297,308

Note 8. Non-current assets - exploration and evaluation

	Consolidated	
	Dec 2023	Jun 2023
	A\$	A\$
Exploration and evaluation - at cost	2,008,153	2,042,924
	2,008,153	2,042,924

Reconciliations at the beginning and end of the current and previous financial year are set out below:

	Exploration A\$
Consolidated	
Balance at 1 July 2023	2,042,924
Additions	-
Exchange difference on opening balance	(34,771)
Balance at 31 Dec 2023	2,008,153
Balance at 1 July 2022	1,866,823
Additions	-
Exchange difference on opening balance	176,101
Balance at 30 June 2023	2,042,924

Note 9. Equity - issued capital

	Consolidated		Consolidated	
	Dec 2023	June 2023	Dec 2023	June 2023
			A\$	A\$
	780,099,138	600,012,429	38,364,205	33,729,999
Ordinary share capital				
Details	Date	No of shares	Issue Price	\$
Balance	01-Jul-23	600,012,429	-	33,729,999
Issue of share placement	10-Aug-23	80,493,996	0.03	2,414,820
Share Purchase Plan	31-Aug-23	32,999,937	0.03	989,998
Bonus shares to KMP's	27-Nov-23	4,613,003	0.027	124,551
Shares in Lieu of Services	27-Nov-23	1,258,037	0.027	33,967
Director Placement	27-Nov-23	5,500,000	0.03	165,000
Issue of share placement	22-Dec-23	55,221,736	0.023	1,270,100
Cost of capital raising		-		(364,230)
	31-Dec-23	780,009,138		38,364,205

Note 10. Equity - reserves

	Consolidated	
	Dec 2023	Jun 2023
	A\$	A\$
Foreign currency translation reserve	144,210	323,539
Option right reserves	1,838,149	1,543,448
	1,982,359	1,866,987

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.

Option right reserve

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

Note 11. Equity – Share Options

Grant date	Expiry date	Exercise price	Fair value	Balance at 30-Jun-23	Issued in year	Exercised in the year	Expired in the year	Balance at 31-Dec-23
Opening 01-Jul-23	-	-	-	114,024,297	-	-	(56,775,789)	57,248,508
10-Aug-23	10-Aug-26	\$ 0.0800	Nil	-	20,123,480	-	-	20,123,480
10-Aug-23	10-Aug-26	\$ 0.0800	\$ 0.0119	-	5,478,790	-	-	5,478,790
21-Aug-23	21-Aug-27	\$ 0.0640	\$ 0.0177	-	1,000,000	-	-	1,000,000
26-Sep-23	31-Oct-28	\$ 0.0560	\$ 0.0212	-	9,134,000	-	-	9,134,000
26-Oct-23	31-Oct-28	\$ 0.0560	\$ 0.0179	-	19,181,000	-	-	19,181,000
24-Nov-23	24-Nov-26	\$ 0.0800	Nil	-	1,375,000	-	-	1,375,000
19-Dec-23	19-Dec-26	\$ 0.0800	Nil	-	8,249,937	-	-	8,249,937
21-Dec-23	21-Dec-26	\$ 0.0800	\$ 0.0071	-	3,500,000	-	-	3,500,000
				114,024,297	68,042,207	-	(56,775,789)	125,290,715

Note 12. Subsequent events

On 9 January 2024 the Company issued a Prospectus to enable eligible shareholders to participate in a rights issue of one (1) Share for every fifteen (15) Shares held by eligible shareholders on 15 January 2024, at an issue price of \$0.023 per Share, to raise up to \$1,196,152 (before costs). On 7 February the Company advised that it had resolved to extend the Closing Date for its Entitlement Issue from 5.00pm (WST) Monday, 12 February 2024 to 5.00pm (WST) Monday, 26 February 2024

On 28 February 2024 it was announced that on 26 February 2024 the Entitlement Offer was closed as follows:

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The remaining 26,524,759 shares remain to be placed at the time of this report

On 25 January 2024, 11,875,999 options expired without exercise.

On 23 February 2024 the Company announced it had signed a non binding MOU with Euroports to advance commercial discussions towards a potential long-term agreement for the storage, handling and export of potash

Note 13. 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 2023 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 - Chairman
15 March 2024
Perth

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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 2023, 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 2023 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 gives a true and fair view 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 2023 and its financial 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 handwritten version of the BDO logo in blue ink, with the letters 'BDO' in a cursive, stylized font.

BDO Audit Pty Ltd

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

Paul Gosnold
Director

Adelaide, 15 March 2024