



South Harz Potash Limited

ABN 64 153 414 852

Annual Report - 30 June 2025

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Corporate directory

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Directors	<p>Leonard Jubber Executive Chair</p> <p>Dr Reinout Koopmans Non-Executive Director</p> <p>Rory Luff Non-independent, Non-Executive Director</p> <p>Richard Pearce Non-independent, Non-Executive Director</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 Level 14, QV1/250 St Georges Terrace, Perth WA 6000, Australia
Main Bankers	National Australia Bank
Securities exchange	Australian Securities Exchange (ASX code: SHP)
Share registry	Automatic Registry Services Pty Ltd Level 5/191 St Georges Terrace, Perth WA 6000, Australia +61 8 9324 2099
Website address	www.southharzpotash.com
Corporate Governance Statement	https://southharzpotash.com/about/corporate-governance/

Executive Chair's letter

26 September 2025

Dear fellow shareholders,

Welcome to South Harz Potash's Annual Report for the 2025 Financial Year. The Company has repositioned itself over the past 12 months, streamlining our cost base and growth strategy in a challenging potash market. Having completed this important step, we are now looking to the future, intent on building long-term shareholder value through a clear dual-asset strategy: acquiring a complementary critical minerals opportunity, while preserving and advancing the world-class option value embedded in our German potash portfolio.

During the year, we advanced several initiatives to strengthen both our balance sheet and development pathway. Following completion of the Ohmgebirge Pre-feasibility Study (PFS) in May 2024, we maintained low-cost workstreams and extended exclusivity on the potential acquisition of the neighbouring Sollstedt mine property through to December 2025. If completed, this would secure access to substantial underground and surface infrastructure, enhancing our brownfield development pathway.

We solidified our financial position with strong support from shareholders, directors, and counterparties. Notably, our technical adviser K-Utec converted a significant portion of its creditor balance into equity, demonstrating confidence in our assets and strategy.

We continue to advance our German R&D tax rebate applications, with final determinations expected in the December 2025 quarter, potentially providing valuable non-dilutive funding. We also intend to pursue additional funding solutions, including grant funding and strategic asset-level investment, through active engagement with financial and industry parties. In addition, Cutfield Freeman & Co has been appointed to explore development funding and strategic partnerships for Ohmgebirge.

To streamline our capital structure, the Company completed a 1-for-15 share consolidation in August 2025, resulting in 127,882,061 shares on issue.

The capital raised will be directed toward advancing South Harz's dual-asset strategy over the next 12 months. We are focused on identifying and acquiring a mining project within the critical minerals space that will be complementary to our South Harz Potash assets, while optimising the value of Ohmgebirge and our wider potash portfolio.

The investment landscape has been evolving, with a global drive to build secure and sustainable supply chains for critical minerals. Governments and industry are actively seeking to diversify away from concentrated supply sources, creating attractive opportunities for companies with the right expertise and regional presence. This presents a unique opportunity for South Harz, leveraging our established operating experience in Europe and proven project development capability. By securing the right project, we can support the growing demand for secure, sustainable supplies vital to the energy transition and advanced technologies.

The Board's governance and expertise was enhanced with the appointment of Mr Richard Pearce as a Non-Executive Director in June 2025. Richard brings over three decades of experience across critical, industrial and energy minerals, spanning exploration, development, financing and M&A. His perspectives will be invaluable as we execute our dual-asset strategy.

Our operating settings remain lean and disciplined. Through the financial year expenditure was associated with post-PFS value engineering, permitting preparation and community and stakeholder engagement in Thuringia. In parallel, we advanced discussions with Deusa in relation to infrastructure access and pursued strategic partner options to support the next stage of project advancement. These activities continue, albeit at a reduced level with a smaller team, reflecting both current potash market conditions and our strategic shift to a dual-asset approach, and ensure we remain well positioned to respond quickly should potash prices and capital-market conditions improve.

Looking ahead to the next financial year, we are targeting further cost savings while maintaining the essential activities required to protect and advance our potash option value and to execute our dual-asset strategy. This approach builds on the cost reductions already achieved and will be realised through selective outsourcing, further prioritisation of workstreams and continued pursuit of non-dilutive funding avenues in Germany and the EU.

On behalf of the Board, I thank our shareholders, partners, employees and stakeholders across Australia, Germany and Europe for your continued support.

I look forward to updating shareholders on our progress in delivering against our dual objectives: securing an attractive critical minerals asset while protecting and enhancing the long-term value of our potash portfolio in the heart of Europe.



Len Jubber
Executive Chair
South Harz Potash Limited
26 September 2025.

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Review of activities

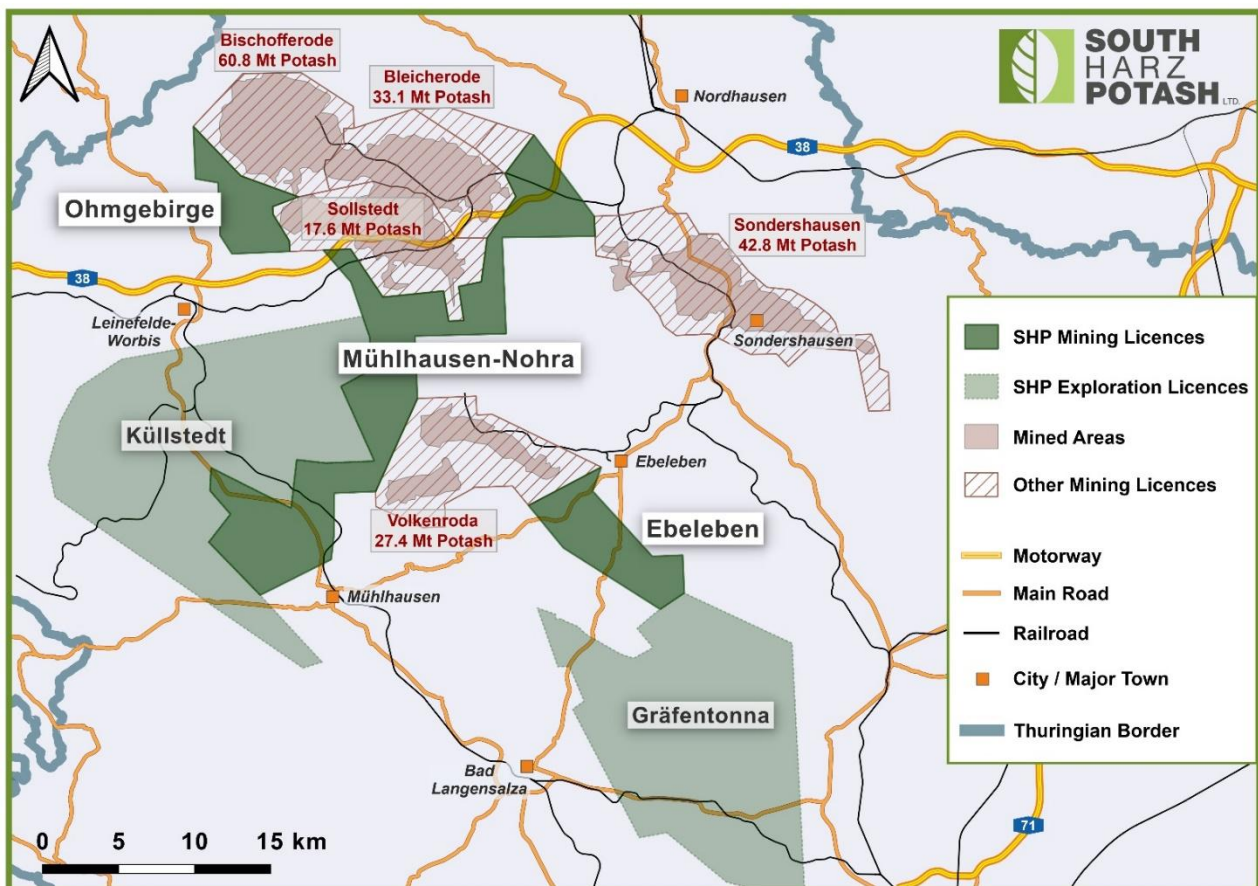
Introduction

During the financial year, South Harz Potash Limited (ASX: SHP) (**South Harz** or the **Company**) advanced a disciplined program to preserve and enhance value at the Ohmgebirge Potash Development in Germany while adopting a dual-asset strategy to identify and acquire a complementary critical minerals opportunity.

The South Harz Potash Project

The South Harz Project hosts a globally large-scale potash JORC (2012) Mineral Resource estimate of 258 million tonnes at 13.2% K₂O of Indicated Resources and 5.1 billion tonnes at 10.6% K₂O of Inferred Resources across four wholly-owned project areas located favourably within central Europe. This comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben and Mühlhausen-Nohra, and two potash exploration licences, Küllstedt and Gräfen-tonna (Figure 1). This tenure is contained within a well-defined potash basin which has been mined locally for fertiliser salts for more than 100 years.

Figure 1: Plan view of South Harz Potash Project tenure



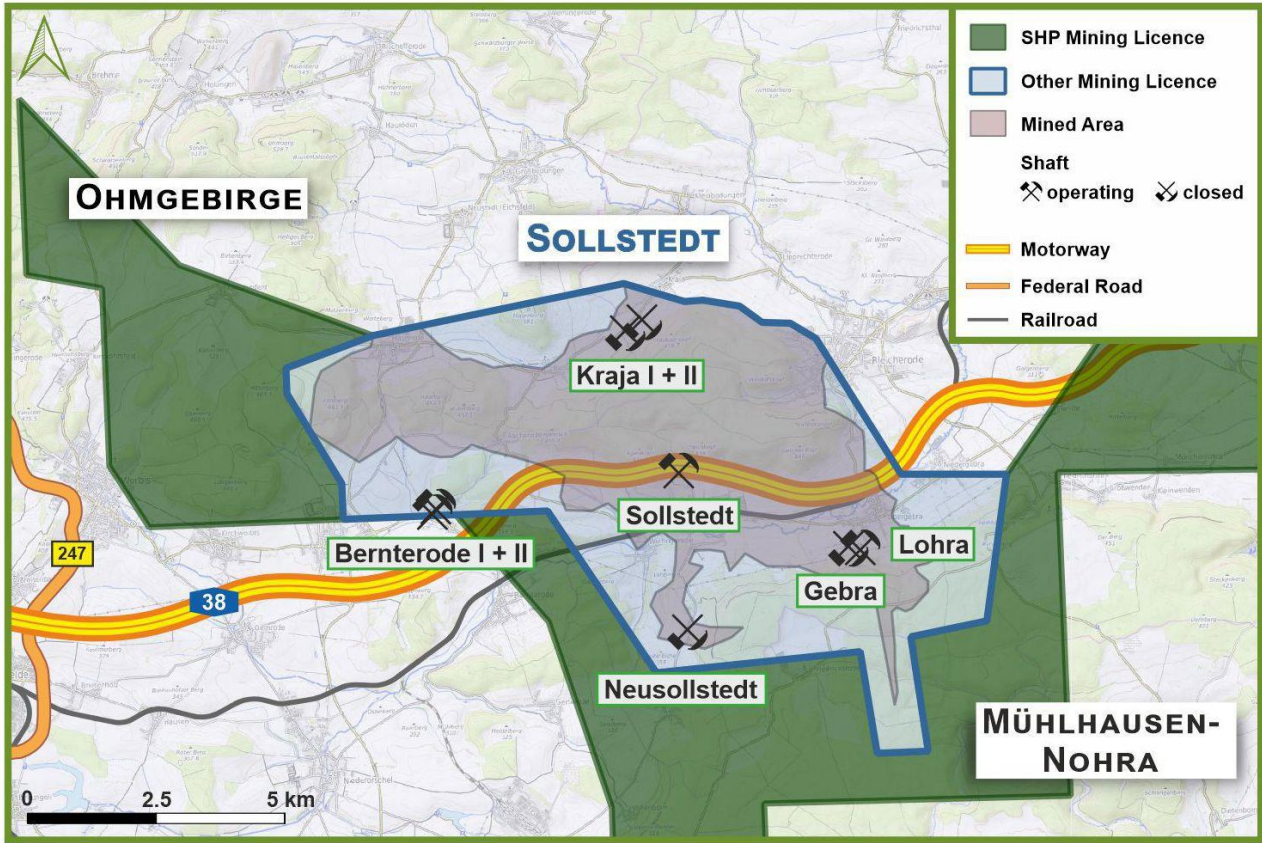
Operational Focus

Operational expenditure was focused on post-PFS value-engineering workstreams, permitting preparation (including Stage 2 groundwork and environmental impact assessment inputs), stakeholder engagement in Thuringia, progression of negotiations with Deusa for infrastructure access via Sollstedt and strategic partner discussions to support the next stage of project advancement. These activities continue, albeit at a reduced level with a smaller team and with discretionary spend reduced, reflect both current potash market conditions and the Company's strategic shift to a dual-asset approach, positioning the Company to remain responsive to market conditions while protecting the option value inherent in the South Harz portfolio.

Ohmgebirge development and optimisation

During the financial year, the Company commissioned a desktop value-engineering review of Ohmgebirge. These workstreams examined a number of areas which may have the potential to enhance the value of Ohmgebirge, including a staged development model leveraging the four existing Sollstedt shafts, higher-temperature leach options to improve downstream energy efficiency, mine planning optimisation, power procurement and potential SOP/by-product opportunities.

Figure 2: Plan view of Ohmgebirge and neighbouring Sollstedt mine property



Sollstedt acquisition

Exclusivity on the targeted Sollstedt purchase was extended several times through the year as due diligence and negotiations progressed. Post year-end, exclusivity was extended to 31 December 2025. The acquisition remains subject to definitive documentation and customary approvals. Ownership of the asset will enable a materially lower-footprint brownfield development for Ohmgebirge using existing shafts and underground infrastructure and unlock further potential synergies across the broader South Harz project area.

Permitting

Building on the Spatial Planning Assessment received in June 2024, preparatory permitting activities continued during the financial year in advance of the commencement of the Stage 2 permitting (general framework operating plan) process, underpinned by completed environmental baseline studies to feed into the final Environmental Impact Assessment.

Figure 3: Aerial image of select Sollstedt property buildings and facilities surrounding Bernterode No. 1 shaft



German R&D tax rebate application

The Company also prepared and lodged applications for German R&D tax incentive rebates on 17 April 2025. During the June 2025 quarter, BSFZ issued first-stage certification confirming the applications constitute eligible R&D, and the process has moved to tax-office review with timing for a potential cash refund expected for the December 2025 quarter.

Strategic funding pathways

During the financial 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.

ERMA application outcome

In the March 2025 quarter, the Company submitted an application for critical minerals funding from the EU's European Raw Materials Alliance (**ERMA**) for a potential investment into Ohmgebirge. Shortly after the end of the financial year, ERMA advised that SHP's application for funding support was unsuccessful as potash is not currently listed as an EU critical raw material. The Company continues to advocate for potash's inclusion and to pursue other EU and German funding avenues.

Stakeholder relations

Stakeholder engagement remained active at local, state and federal levels in Germany, including ongoing community dialogue in Thuringia and participation in European Union raw-materials forums. Relationships with newly elected regional officials were strengthened, with constructive briefings held throughout the year.

Other potash-related opportunities

Extensive further upside potential and/or Sollstedt synergy opportunities not considered or incorporated within the Ohmgebirge Pre-Feasibility Study nor the recent value engineering desktop reviews include:

- The broader South Harz Project is a potential multi-generational asset. The Ohmgebirge Development focuses on the mining, processing and sale of MOP from solely the Ohmgebirge sylvinite deposit (286 Mt Mineral Resource). The broader South Harz Potash Project comprises multiple deposits with total potash Inferred Mineral Resources exceeding 5 billion tonnes. Targeted mining of these large-scale existing Mineral Resources beyond Ohmgebirge has the potential to deliver potential multiples of life extension and/or capital-lite modular expansion. The acquisition of Sollstedt also delivers a range of potential early/low-cost access synergies to the development of other deposits within the broader South Harz Potash Project.
- Substantial in-situ potash sits proximate to the Sollstedt mine and existing underground infrastructure. Mining of this material could deliver significant life extension and/or increased output rates in early years for the Ohmgebirge Development.
- The agreement to acquire Sollstedt will deliver the ready potential for future definitive-stage geological and geotechnical study work to be undertaken from underground, at significantly lower cost versus alternative surface-based activities.

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Company summary

Board changes

During the financial year, Mr Richard Pearce was appointed as Non-Executive Director (effective 20 June 2025). No other changes to the Board composition were made during the financial year.

Directors' fees

Non-Executive Directors' fees remained in line with prior settings. Further detail on remuneration are provided in the audited Remuneration Report for the financial year.

Capital raising activities

June to December 2024 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, which was approved by shareholders at its 2024 Annual General Meeting held on 28 November 2024 (**AGM**). The shares were issued to the Directors (or their director-related entities) 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 (**August Entitlement Offer**) to raise \$2,966,894 (before costs). On 23 September 2024, the Company announced the results of the August Entitlement Offer where, of the 296,689,424 shares offered, 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 August Entitlement Offer also included participation by the directors of approximately \$107,061.

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

Other placements of shares during the first half of the financial year included the issue of shares 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 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.

February to April 2025 capital raising activities

In February 2025, the Company announced that it had received binding commitments for the placement of 50,000,000 new shares at \$0.01 per share representing gross proceeds of \$500,000 (**February Placement**). This comprised the following:

- 29,850,000 new shares issued on 27 February 2025 representing gross proceeds received of \$298,500.
- 20,150,000 new shares issued on 12 May 2025 representing gross proceeds received of \$201,500, which included 15,150,000 new shares issued to the Directors or their director-related entities (following receipt of shareholder approval at the Company's general meeting held on 23 April 2025).

June to August 2025 capital raising activities

In June 2025, the Company announced an equity raising of up to \$3,115,636 comprising a two-tranche placement (**June Placement**) of \$1,832,572 (610,857,302 shares at an issue price of \$0.003 per share) and a 1-for-3 pro-rata non-renounceable entitlement offer to raise up to \$1,283,062 at the same issue price (**June Entitlement Offer**). New shares issued under the June Placement or the June Entitlement Offer included one free attaching option for every two new shares, exercisable at \$0.006 and expiring two years from issue.

Tranche 1 of the June Placement raised \$541,000 in gross new equity from 180,333,336 new shares that were issued on 27 June 2025. Tranche 2 of the June Placement, secured commitments for \$1,291,571 in gross new equity, which was subject to, and received shareholder approval at the Company's general meeting on 15 August 2025. It included \$620,522 of shares to be issued to service providers in lieu of cash, including a creditor offset arrangement with K-Utec (see details below). Directors Len Jubber, Rory Luff and Reinout Koopmans also provided firm commitments to subscribe (either themselves or through their director-related entities) for \$294,000 in Tranche 2.

In July 2025, the Company announced the results of the June Entitlement Offer. Of the 427,688,078 shares offered, 188,661,286 new shares were issued to eligible shareholders (including applications for additional shares) on 31 July 2025 representing gross new equity of \$565,984. Directors Len Jubber, Rory Luff and Reinout Koopmans supported the offer through subscriptions under their (or their director-related entities') entitlements.

The completion of the June Entitlement Offer left a shortfall of 239,026,792 shares (**August Shortfall Shares**), following which the Company undertook efforts to place these shares (**August Shortfall Offer**). On 18 August 2025, the Company closed the August Shortfall Offer with commitments of \$180,000 for 60,000,000 new shares from a combination of new and existing investors and Directors. Director participation included additional commitments totalling \$70,000 from Len Jubber and newly appointed Non-Executive Director Richard Pearce, which are subject to shareholder approval at the Company's Annual General Meeting expected to be held in November 2025. All August Shortfall Shares were issued on the same terms as the June Entitlement Offer (share issue price of \$0.003 with attaching options on a 1-for-2 basis with exercise price of \$0.006 and two-year expiry from issue).

Aggregating the June Placement, the June Entitlement Offer, the August Shortfall Offer and Director subscriptions to be approved at the forthcoming AGM, the Company secured approximately \$2,578,556 in gross new equity (before costs), representing approximately 83% of the \$3,115,636 target announced in June 2025.

Proceeds from the capital raising activities are being applied to advance the Company's dual-asset strategy over the next 9–12 months, including (i) identification and targeted acquisition of a second complementary mining project; and (ii) preserving and growing the longer-term option value of the Ohmgebirge Development and the broader South Harz Potash Project through targeted non-dilutive funding sources and continued engagement with potential strategic investors.

Share Consolidation

Following the closure of the Company's capital raising activities conducted from June to August 2025, on 20 August 2025 the Board implemented its previously announced 1-for-15 share consolidation, which had received shareholder approval at the general meeting held on 15 August 2025.

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.

Expiry of Options

The following options expired without exercise during the financial year:

- 7,000,000 options expired on 2 December 2024
- 4,384,168 options expired on 17 December 2024
- 1,000,000 options expired on 27 May 2025

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.

Creditor Balances

During the financial year, the Company agreed with two creditors of its wholly-owned German subsidiary, Südharz Kali GmbH (**SHK**) new terms for the repayment of invoices totalling \$1,406,704 (€784,772) as at 30 June 2025. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec AG Salt Technologies (**K-Utec**) and ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau GmbH (**Ercosplan**).

The Company and K-Utec signed binding agreements to defer the repayment of invoices owing, totalling €309,861 (\$555,426) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed. Subsequently to this agreement, the parties then agreed in June 2025 that K-Utec would subscribe for 152,327,000 new shares with 76,163,500 Rights Issue Options in the Company as part of Tranche 2 of its share placement announced on 30 June 2025. The amount of A\$456,981 owing by K-Utec on this subscription is to be partially offset against the outstanding balance of €309,861 owed to K-Utec by the Company, with the residual balance of €49,480 to be paid in cash by the Company upon issue of the shares. Subsequent to the financial year end, on 20 August 2025 these shares were issued to K-Utec and the Company paid the cash payment of €49,480 to K-Utec on 27 August 2025 in full settlement of the debt owing to K-Utec.

The company and Ercosplan agreed non-binding terms during the financial year to defer the repayment of invoices owing, totalling €474,911 (\$851,278) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed, and the grant by the Company of a first ranking mortgage over its interest in the Ebeleben mining lease in Thuringia, Germany, as security for the amount owed. Subsequent to the financial year end, in July 2025 the parties signed a binding agreement to reflect these arrangements.

Cash and liquidity

As at 30 June 2025, cash on hand was \$546,735 (2024: \$253,632). Subsequent to the financial year end, cash reserves were increased by the capital raising activities conducted by the Company which included Tranche 2 of the June Placement, the June Entitlement Offer, the August Shortfall Offer and Director subscriptions to be approved at the forthcoming AGM (refer "Capital Raising Activities" section above). In addition, potential further funds may be received from the German R&D tax rebate anticipated in the December 2025 quarter, subject to German tax-office review and timing.

ESG

The Company continued to progress permitting in line with German mining law, with preparatory work for the Stage 2 Framework Operating Plan informed by completed environmental baseline studies and an EIA to be finalised for submission. Stakeholder engagement in Thuringia remained active and constructive, with a continued focus on transparent communication and responsible development with a low surface-footprint brownfield configuration.

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 30 June 2025, *Entitlement 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.

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Resources and interests

Mineral Resource update and maiden Ore Reserve¹

As part of the Pre-Feasibility Study process, an updated Mineral Resource estimate was prepared for the Ohmgebirge deposit.

Ohmgebirge Mineral Resource estimate (March 2024) (5% K₂O cut-off)

Seam	Category	Bulk Density (t/m ³)	Geol Loss (%)	Tonnage (Mt)	K ₂ O (%)	K ₂ O (Mt)	KCl (%)	Mg (%)	Na (%)	SO ₄ (%)
Sylvinitite	Inferred	2.22	15	28	12.52	3	19.64	0.44	25.23	10.17
	Indicated	2.21	15	258	13.18	34	20.57	0.80	24.18	11.03
Sylvinitite	Ind + Inf	2.21	15	286		37				
Carnallite	Inferred	1.89	15	91	9.60	9	15.07	-	-	-

Completion of the PFS has also enabled declaration of an initial Ore Reserve estimate for Ohmgebirge of 83.1 Mt at 12.6% K₂O for 10.5 Mt K₂O (all sylvinitite). The Ore Reserve comprises 92% of the PFS mine schedule, demonstrating the substantial derisking achieved via the PFS process.

Maiden Ohmgebirge Ore Reserve estimate (March 2024)

Seam	Category	Bulk Density (t/m ³)	Tonnage (Mt)	K ₂ O (%)	K ₂ O (Mt)	KCl (%)	Mg (%)	Na (%)	SO ₄ (%)
Sylvinitite	Probable	2.21	83.1	12.62	10.5	19.65	0.87	23.22	11.07

Summary of tenement holdings as at 30 June 2025

Tenement Name/Number	Location	Licence	Expiry Date	Beneficial Holding
Küllstedt	Thüringen, Germany	Exploration	January 2026	100%
Gräfentonna	Thüringen, Germany	Exploration	January 2026	100%
Mühlhausen-Nohra	Thüringen, Germany	Mining	Perpetual	100%
Ebeleben ²	Thüringen, Germany	Mining	Perpetual	100%
Ohmgebirge	Thüringen, Germany	Mining	Perpetual	100%

¹ For full Mineral Resource, Ore Reserve, Ohmgebirge PFS and Sollstedt acquisition key terms refer to South Harz ASX announcement *Landmark Sollstedt Mine Purchase, Ohmgebirge Pre-Feasibility Study and Maiden Ore Reserve* dated 22 May 2024, and *Landmark Resource Upgrade at Ohmgebirge* dated 12 July 2022. South Harz is not aware of any new information or data that materially affects the information included in these releases and confirms that all material assumptions and technical parameters underpinning the estimates in these announcement continue to apply and have not materially changed.

² In July 2025, binding agreements were signed for the grant of a first ranking mortgage by the Company over the Ebeleben mining lease to Ercosplan as security for €474,911 of invoices owing to them, as part an agreement between the parties to defer of the repayment date to 31 December 2026. For full details refer to South Harz ASX announcement *June 2025 Quarterly Activities Report* dated 31 July 2025.

Corporate governance statement

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.

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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 year ended 30 June 2025.

DIRECTORS

The names of Directors who held office during or since the end of the year:

Name	Title
Leonard Jubber	Executive Chair
Rory Luff	Non-Independent Non-Executive Director
Dr. Reinout Koopmans	Independent Non-Executive Director
Richard Pearce	Non-Independent Non-Executive Director (appointed 20 June 2025)

COMPANY SECRETARY

Graeme Smith

PRINCIPAL ACTIVITIES

The development of mineral exploration assets.

DIVIDENDS

There were no dividends declared or paid during the current or previous financial year.

REVIEW OF ACTIVITIES

This is contained in the above review of activities report. The total comprehensive loss for the financial year amounted to \$3,065,400 (2024: \$9,278,231).

FINANCE REPORT

Costs for exploration and development expenditure totalled \$336,106 in the financial year (2024: \$4,508,859).

Corporate and administration costs decreased following the closure of the UK based corporate office and adoption of a low cost, project optimisation period by the Company.

The closing cash position as at 30 June 2025 was \$546,735 (2024: \$253,632).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Beyond the closure of the UK based corporate office and focus on low-cost project optimisation there were no significant changes during the financial year ended 30 June 2025.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

June to August 2025 capital raising activities

In June 2025, the Company announced an equity raising of up to \$3,115,636 comprising a two-tranche placement (**June Placement**) of approximately \$1,832,572 (610,857,302 shares at an issue price of \$0.003 per share) and a 1-for-3 pro-rata non-renounceable entitlement offer to raise up \$1,283,062 at the same issue price (**June Entitlement Offer**). New shares issued under the June Placement or the June Entitlement Offer included one free attaching option for every two new shares, exercisable at \$0.006 and expiring two years from issue.

Tranche 1 of the June Placement raised \$541,000 in gross new equity from 180,333,336 new shares that were issued on 27 June 2025. Tranche 2 of the June Placement, secured commitments for \$1,291,571 in gross new equity, which was subject to, and received shareholder approval at the Company's general meeting on 15 August 2025. It included \$620,522 of shares to be issued to service providers in lieu of cash, including a creditor offset arrangement with K-Utec (see details below). Directors Len Jubber, Rory Luff and Reinout Koopmans also provided firm commitments to subscribe (either themselves or through their director-related entities) for \$294,000 in Tranche 2.

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Aggregating the June Placement, the June Entitlement Offer, the August Shortfall Offer and Director subscriptions to be approved at the forthcoming AGM, the Company secured approximately \$2.58 million in gross new equity (before costs), representing approximately 83% of the \$3,115,636 target announced in June 2025.

Proceeds from the capital raising activities are being applied to advance the Company's dual-asset strategy over the next 9–12 months, including (i) identification and targeted acquisition of a second complementary mining project; and (ii) preserving and growing the longer-term option value of the Ohmgebirge Development and the broader South Harz Potash Project through targeted non-dilutive funding sources and continued engagement with potential strategic investors.

Share Consolidation

Following the closure of the Company's capital raising activities conducted from June to August 2025, on 20 August 2025 the Board implemented its previously announced 1-for-15 share consolidation, which had received shareholder approval at the general meeting held on 15 August 2025.

Creditor Balances

During the financial year, the Company agreed with two creditors of its wholly-owned German subsidiary, Südharz Kali GmbH (**SHK**), new terms for the repayment of invoices totalling \$1,406,704 (€784,772) as at 30 June 2025. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec AG Salt Technologies (**K-Utec**) and ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau GmbH (**Ercosplan**).

The Company and K-Utec signed binding agreements to defer the repayment of invoices owing, totalling €309,861 (\$555,426) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed. Subsequently to this agreement, the parties then agreed in June 2025 that K-Utec would subscribe for 152,327,000 new shares with 76,163,500 Rights Issue Options in the Company as part of Tranche 2 of its share placement announced on 30 June 2025. The amount of A\$456,981 owing by K-Utec on this subscription is to be partially offset against the outstanding balance of €309,861 owed to K-Utec by the Company, with the residual balance of €49,480 to be paid in cash by the Company upon issue of the shares. Subsequent to the financial year end, on 20 August 2025 these shares were issued to K-Utec and the Company paid the cash payment of €49,480 to K-Utec on 27 August 2025 in full settlement of the debt owing to K-Utec.

The Company and Ercosplan agreed non-binding terms during the financial year to defer the repayment of invoices owing, totalling €474,911 (\$851,278) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed, and the grant by the Company of a first ranking mortgage over its interest in the Ebeleben mining lease in Thuringia, Germany, as security for the amount owed. Subsequent to the financial year end, in July 2025 the parties signed binding agreements to reflect these arrangements.

TARGETED DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

In June 2025 the Company announced that it is adopting a dual-asset strategy through pursuit of a targeted and aligned new asset acquisition and advancement, leveraging on its established presence in Europe and Australia, with a disciplined focus from a proven (existing and new) team with suitable capability. This is to be advanced over the next 9 - 12 months, comprising:

- i. Identification and targeted acquisition of a second mining project complementary to the Company's Ohmgebirge Potash Development (**Ohmgebirge**) and broader South Harz Potash Project in Germany.
- ii. Preservation and growth in the longer-term option value of Ohmgebirge and the broader South Harz Potash Project via targeted additional funding sources such as German government grants/rebates and ongoing engagement with financial and industry parties on potential strategic asset-level investment.

ENVIRONMENTAL REGULATION

There have been no breaches of environmental regulations.

PROCEEDINGS ON BEHALF OF A COMPANY

The Company has not made an application for leave under Section 237 and no court proceedings have been brought or intervened in or on behalf of the Company with leave under Section 237.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

INDEMNITY AND INSURANCE OF OFFICERS AND AUDITOR

The Company has indemnified the Directors and executives of the Company for costs incurred in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to ensure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The Directors' qualifications and experience are set out below.

Current Directors

Director	Details
Leonard (Len) Jubber	B.Eng (Civil), MBA
Position	Executive Chair
Appointment Date	1 March 2021
Biography	Len Jubber was Chief Executive Officer for Kalium Lakes Limited (ASX: KLL) for 16 months, prior to which he was the Managing Director & Chief Executive Officer of Bannerman Resources Ltd (ASX: BMN) for eight years. Previous executive leadership roles include Managing Director/Chief Executive of zinc and lead producer Perilya Ltd (ASX listed at the time), and Chief Operating Officer of Oceana Gold Ltd. He started his career with Rio Tinto in Namibia. In a mining career spanning more than 35 years, he brings a wealth of technical, commercial and corporate experience.
Committee Memberships	Chair of Technical Committee Member of Nomination and Remuneration Committee Member of Audit and Risk Committee
Other Australian listed entity directorships	None
Rory Luff	B.Com
Position	Non-Independent Non-Executive Director
Appointment Date	3 June 2016
Biography	Rory Luff is a co-Founder of South Harz Potash Limited. He is the founder of BW Equities, a specialist Melbourne equities advisory firm and has over 15 years' experience in the financial services industry. Rory has spent most of his career in the financial markets advising resources companies on capital raisings and financial markets strategy.
Committee Memberships	Chair of Nomination and Remuneration Committee Member of Audit and Risk Committee
Other Australian listed entity directorships	None
Dr Reinout Koopmans	B.Ec, PhD, M.Sc(Ec)
Position	Independent Non-Executive Director
Appointment Date	8 January 2019
Biography	Dr Koopmans spent 15 years in investment banking, based in London. He was responsible globally for public equity raising for natural resource companies at Deutsche Bank and he led the European equity capital markets team at Jefferies International. In the 1990's, Reinout was a management consultant with McKinsey & Co in Germany and South-East Asia. He has significant business experience in Germany. Reinout has a PhD and Masters degree from the London School of Economics, and a degree from Erasmus University, Rotterdam.
Committee Memberships	Chair of Audit and Risk Committee Member of Nomination and Remuneration Committee
Other Australian listed entity directorships	None

Richard Pearce		B.Sc(Hons), MBA, FGIA, MAICD
Position	Non-Independent Non-Executive Director	
Appointment Date	20 June 2025	
Biography	<p>Mr. Pearce is an experienced professional in the global mining and mining technology industries, the private investment sector and in the agricultural sector. He started his career at Rio Tinto and experience in the mining industry spans the full value chain, including board directorships, exploration, operational management and improvement, mining finance, M&A and business strategy.</p> <p>Mr. Pearce has worked in multiple commodities and geographies, including iron ore, coal, uranium, mineral sands, gold, and copper across Europe, the Middle East, North and South America, South-East Asia, New Zealand, and Australia</p>	
Committee Memberships	<p>Member of Nomination and Remuneration Committee</p> <p>Member of Audit and Risk Committee</p>	
Other Australian listed entity directorships	None	

COMPANY SECRETARY

Graeme Smith		B.Ec, MBA, MComLaw, FCPA, FCG (CS, CGP), FGIA
Position	Company Secretary	
Appointment Date	1 January 2022	
Biography	<p>Graeme Smith is a corporate governance and finance professional with over 30 years' experience in accounting and company administration. He is a Fellow of the Australian Society of Certified Practising Accountants, the Chartered Governance Institute and the Governance Institute of Australia. He is the principal of Wembley Corporate which provides Company Secretarial, CFO, and Corporate Governance services to public and private companies.</p>	

MEETINGS OF DIRECTORS

The number of meetings held during the year and the number of meetings attended by each Director was as follows:

	Board	Audit & Risk Committee	Remuneration & Nomination Committee	Technical Committee
Len Jubber	12/12	2/2	1/1	-
Dr. Reinout Koopmans	12/12	2/2	1/1	-
Rory Luff	12/12	2/2	1/1	-
Richard Pearce ¹	2/12	-/2	-/1	-

1. Richard Pearce was appointed as a director on 20 June 2025 and as such there was only two Board Meetings, and Nil Audit & Risk Committee meetings and Nil Remuneration & Nomination Committee meetings that he could attend between that date and the end of the financial year.

All Directors were eligible to attend all Board Meetings held when they were in office.

SHARE OPTIONS

As at the date of this report the following share options which are all unlisted, were on issue:

Code	Expiry date	Exercise price per share ¹	No. of Options ¹
SHPOPT14	27-May-26	\$ 3.0450	307,107
SHPOPT16	5-Aug-26	\$ 2.2665	12,805
SHPOPT19	30-Mar-27	\$ 2.4090	158,799
SHPOPT22	17-Oct-26	\$ 1.8450	66,667
SHPOPT23	31-Oct-27	\$ 0.8250	133,333
SHPOPT24	31-Oct-27	\$ 1.2300	133,333
SHPOPT25	31-Oct-27	\$ 1.6350	133,333
SHPOPT26	31-Oct-27	\$ 2.0400	133,333
SHPOPT27	30-Sep-27	\$ 1.8000	187,866
SHPOPT28	10-Nov-27	\$ 2.2500	308,201
SHPOPT29	23-Nov-25	\$ 1.3500	224,444
SHPOPT30	1-Jan-28	\$ 0.9900	200,000
SHPOPT31	1-Jan-28	\$ 1.3200	200,000
SHPOPT33	10-Aug-26	\$ 1.2000	1,706,823
SHPOPT34	21-Aug-27	\$ 0.9600	66,667
SHPOPT35	31-Oct-28	\$ 0.8400	1,887,668
SHPOPT36	24-Nov-26	\$ 1.2000	91,667
SHPOPT37	19-Dec-26	\$ 1.2000	550,010
SHPOPT38	21-Dec-26	\$ 1.2000	233,333
SHPOPT39	19-Jun-29	\$ 0.0900	333,333
SHPOPT40	31-Jul-27	\$ 0.0900	7,399,827
SHPOPT41	20-Aug-27	\$ 0.0900	20,783,573
Total			35,252,122

1. The above table presents the options on issue after the impact of the 15 for 1 consolidation that was implemented with effect from 20 August 2025, in which the number of options on issue in each category was reduced by a factor of 15 and the exercise price for each option category was increased by a factor of 15.

The options have no voting rights. Each option converts to one fully paid ordinary share.

PERFORMANCE RIGHTS

As at the date of this report the following performance rights, which are all unlisted, were on issue:

Code	Expiry date	Exercise price per share ¹	No. of Performance Rights ¹
SHPPR	30-Nov-29	Nil	533,334
SHPPR1	1-Jul-27	Nil	350,000
SHPPR2	1-Jan-30	Nil	583,333
SHPPR3	1-Jan-29	Nil	350,000
SHPPR4	1-Jul-29	Nil	1,416,667
Total			3,233,334

1. The above table presents the performance rights on issue after the impact of the 15 for 1 consolidation that was implemented with effect from 20 August 2025, in which the number of performance rights on issue in each category was reduced by a factor of 15 and the exercise price for each option category was increased by a factor of 15.

The performance rights have no voting rights. Each performance right converts to one fully paid ordinary share.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS OR PERFORMANCE RIGHTS

During the year, and up to the date of this report, Nil shares have been issued as a result of the exercise of options or performance rights.

AUDITOR OF THE COMPANY

The auditor of the Company for the financial year was BDO Audit Pty Ltd. There were no non-audit services provided by the external auditors of the Parent or its related entities during the year ended 30 June 2025.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

REMUNERATION REPORT (Audited)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the consolidated entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Board aligns the compensation structure of the Company closely to the strategy of the Company, its shareholders' interests and existing market practice. It offers a structured short-term incentive plan and long-term retention plan for senior and key executive team members and allocates long-term incentive securities (options and performance rights) to non-executive Board members.

The short-term executive incentive plan consists of performance-related bonus payments, based on the achievement of pre-agreed targets directly derived from the Company's strategy, as communicated to the shareholders and the market in general. The long-term executive incentives plan consists of multiyear, high premium options or performance rights with vesting conditions and vesting periods.

These compensation packages are reassessed annually, based on packages offered by comparable companies in Australia and around the world. The compensation cycle follows the financial year.

Principles Used to Determine the Nature and Amount of Remuneration**Remuneration Philosophy**

The performance of the Company depends upon the quality of its Directors and executive officers. To prosper, the Company must attract, motivate and retain highly skilled Directors and executive officers. The Directors' remuneration is comparable to similar sized companies in the junior mining industry with international assets.

Remuneration Committee Responsibilities

The Board's Remuneration Committee (the "Committee") assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Incentive Plans

The Committee's objective is to:

- a) review and make recommendations concerning short-term and long-term incentive and retention compensation plans, including the use of share options, performance rights, or and other equity-based plans. Except as otherwise delegated, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- b) ensure that incentive plans are designed around appropriate and realistic performance targets, either at an individual or company level, that measure relative performance and provide rewards when they are achieved; and
- c) continually review and, if necessary, improve any existing benefit programs established for employees.

Ultimately the shareholders must approve any incentive plans proposed by the Company.

Authority and Resources

The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration. The Committee may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters. In accordance with best practice corporate governance, the structure of non-executive Directors and executive remunerations are separate.

Group Performance

Measure	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Closing price per share 30 June ¹	\$0.0025	\$0.012	\$0.032	\$0.100	\$0.083
Loss before income tax expense	(\$3,123,920)	(\$9,151,019)	(\$8,656,551)	(\$11,859,581)	(\$2,346,822)
Earnings per share ¹	(\$0.31)	(\$1.22)	(\$1.52)	(\$2.53)	(\$0.80)

1. The above table is calculated before the impact of the 15 for 1 consolidation that was implemented with effect from 20 August 2025, in which the amount of securities on issue was reduced by a factor of 15, which resulted in a corresponding nominal increase in the share price by a factor of 15

Non-Executive Directors' Remuneration

The constitution of the Company provides for a maximum aggregate amount that may be paid to non-executive Directors (referred to as a "non-executive Directors' remuneration pool") to be determined by shareholders at a general meeting. ASX requires the non-executive Directors' remuneration pool amount to be specified.

A maximum non-executive Directors' remuneration pool amount of \$500,000 per annum was adopted at the 2016 General Meeting. The non-executive Directors' remuneration pool is a maximum amount and does not mean that non-executive Directors will be paid a total of \$500,000 per annum. The amount of each non-executive Directors' remuneration and allocations among non-executive Directors within the pool limit are determined by the Committee, and the process of determining non-executive Directors' remuneration is subject to compliance with corporate governance policies. Payment to non-executive Directors for specific services beyond the ordinary role of a non-executive Director, such as consulting or professional services, are excluded from the total pool amount, as is reimbursement of expense. Any future change to the non-executive Directors' remuneration pool will require further shareholder approval.

Non-executive Directors are eligible to participate in the Company's employee incentive plans, upon obtaining shareholder approval. During the financial year, non-executive Directors were granted securities as detailed in the table following pages.

Executive Remuneration

The Company aims to reward its executives with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity, to reward executives for meeting or exceeding targets set by reference to appropriate benchmarks; align the interests of executives with those of shareholders; and ensure remuneration is competitive by market standards. The Company retains the right to make annual bonus payments in cash or shares as deemed appropriate.

It is the Company's remuneration policy that employment contracts must be entered into by the Chief Executive Officer (or equivalent position) and senior executives. The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate to the position and competitive in the market. Fixed remuneration is reviewed annually by the Committee as part of an assessment on that executive's performance. The Committee has access to external independent advice during the year.

Len Jubber – Executive Chair

On 22 May 2024, Len Jubber was appointed Executive Chair. The details of his remuneration package were announced following finalisation and agreement on 29 August 2024. The summary terms of Mr Jubber's remuneration package is set out below:

Base Salary

A base salary of \$350,000 per annum, inclusive of statutory superannuation (Base Salary).

Incentives

Mr Jubber's employee agreement provides that, subject to conditions set by the Company, Mr Jubber may be entitled to an annual performance-based bonus or incentive payment (**STIP**), and a long-term performance-based

incentive payment (**LTIP**) and a project performance-based incentive payment (**PIP**). Whether Mr Jubber is entitled to a STIP, LTIP or PIP (and the respective quantum of any STIP, LTIP or PIP) will be determined by the Company in its discretion by reference to the key performance indicators set by the Company (and which may be amended or varied by the Company from time to time).

The following incentive performance rights (number of performance rights and share price calculation basis restated to reflect the 15-for-1 consolidation of securities that was implemented on 20 August 2025) have been issued to Mr Jubber at the date of this report:

Project Performance Rights (adjusted for consolidation of securities which took place on 20 August 2025)

Following shareholder approval, on 17 December 2024 Mr Jubber was issued 1,283,333 Project Performance Rights (PPRs), being an amount equal to 55% of his Base Salary divided by \$0.15, which shall only vest upon the following milestones being achieved:

1. *Tranche 1 (350,000 PPRs): On or before 1 July 2025, the Company must have decided to proceed with and have secured committed funding for a Definitive Feasibility Study for the Ohmgebirge Project;*
2. *Tranche 2 (350,000 PPRs): On or before 1 January 2027, the Company must have:*
 - a. *completed and released a Definitive Feasibility Study for the Ohmgebirge Project on the ASX; and*
 - b. *released a commitment on the ASX to pursue the financing and development of the Ohmgebirge Project.*
3. *Tranche 3 (583,333 PPRs): On or before 1 January 2028, the Company must have:*
 - a. *made a final investment decision to develop the Ohmgebirge Project; and*
 - b. *secured committed funding to proceed with the development of the Ohmgebirge Project.*

Long Term Incentive Performance Rights

Following shareholder approval, on 17 December 2024 Mr Jubber was issued 816,667 Long Term Incentive Performance Rights (**LTIPRs**), being an amount equal to 35% of his Base Salary divided by \$0.15, which shall only vest upon the following criteria being met (and in the manner stated):

If on 1 July 2027, Total Shareholder Revenue is:

1. *equal to or greater than 150%, all the LTIPRs will vest;*
2. *between 110% and 150%, the LTIPRs will vest in a straight-line scale pro-rata; or*
3. *less than 110%, none of the LTIPRs will vest.*

"Total Shareholder Revenue" means the positive percentage change in the volume weighted average price of the Company's shares on the ASX for twenty consecutive trading days (VWAP) over the three-year period commencing on 1 July 2024 and ending on 1 July 2027 divided by the percentage change in the S&P/ASX 300 Metal and Mining Index over the same period. For the avoidance of doubt, where the percentage change in the VWAP is negative, none of the LTIPRs will vest.

General Terms and Conditions

In addition to customary termination rights for cause, the contract may be terminated by either Mr Jubber or the Company by giving of three months' written notice. The agreement otherwise contains standard terms and conditions for a contract of its nature. Mr Jubber is also entitled to participate in any and all other employee benefit plans which are made available to the senior executives of SHP from time to time.

Dr Babette Winter – Regional Managing Director, Executive Chair Südharz Kali GmbH

The summary terms of Dr Winter's remuneration package is set out below:

Base Salary

A full-time equivalent base salary of €155,625 (\$261,506) per annum reduced to an 80% of full-time equivalent basis from May 2024 onwards (Base Salary).

Incentives

Dr Winter's employee agreement provides that, subject to conditions set by the Company, Mr Jubber may be entitled to an annual performance-based bonus or incentive payment (**STIP**) of up to 15% of her Base Salary, and a long-term performance-based incentive payment (**LTIP**) of up to 35% of her Base Salary. Whether Dr Winter is entitled to a STIP or LTIP (and the respective quantum of any STIP or LTIP) will be determined by the Company in its discretion by reference to the key performance indicators set by the Company (and which may be amended or varied by the Company from time to time).

The following incentive performance rights (number of performance rights and share price calculation basis restated to reflect the 15-for-1 consolidation of securities that was implemented on 20 August 2025) have been issued to Dr Winter at the date of this report:

Long Term Incentive Performance Rights

On 17 December 2024 Dr Winter was issued 600,000 Long Term Incentive Performance Rights (**LTIPRs**), being an amount equal to 35% of her Base Salary divided by \$0.15, which shall only vest upon the following criteria being met (and in the manner stated):

If on 1 July 2027, Total Shareholder Revenue is:

4. *equal to or greater than 150%, all the LTIPRs will vest;*
5. *between 110% and 150%, the LTIPRs will vest in a straight-line scale pro-rata; or*
6. *less than 110%, none of the LTIPRs will vest.*

"Total Shareholder Revenue" means the positive percentage change in the volume weighted average price of the Company's shares on the ASX for twenty consecutive trading days (VWAP) over the three-year period commencing on 1 July 2024 and ending on 1 July 2027 divided by the percentage change in the S&P/ASX 300 Metal and Mining Index over the same period. For the avoidance of doubt, where the percentage change in the VWAP is negative, none of the LTIPRs will vest.

General Terms and Conditions

In addition to customary termination rights for cause, the contract may be terminated by either Dr Winter or the Company by giving of three months' written notice. The agreement otherwise contains standard terms and conditions for a contract of its nature. Dr Winter is also entitled to participate in any and all other employee benefit plans which are made available to the senior executives of SHP from time to time.

Employee Incentive Securities Plan

A revised employee incentive scheme ("the Employee Incentive Securities Plan" or "the Plan") was adopted at the 28 November 2024 Annual General Meeting. The purpose of the Plan is to enable eligible Directors', officers and employees (including executive and non-executive Directors of the Company or its subsidiaries) to receive options to acquire shares in the Company.

The objective of the Employee Incentive Securities Plan is to attract, motivate and retain key employees. The Company considers that the adoption of the Employee Incentive Securities Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. Securities issued under the Employee Incentive Securities Plan are Equity settled share-based payments.

No Directors or their associates can or will participate in the Employee Incentive Securities Plan or receive any securities unless and until required shareholder approval of specific issues to them is obtained. All the options and performance rights issued to Directors and others in a position of influence were approved by shareholders in accordance with ASX Listing Rule 10.14 (excluding issues under Entitlement Issues whereby Directors (or their associates) who were existing shareholders of the Company took up their entitlement).

The options and performance rights granted to Directors and KMP under the Employee Incentive Securities Plan are detailed below.

DIRECTORS' AND KMP INTERESTS AND BENEFITS

Ordinary shares

The movement during the reporting period in the number of ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally related entities is as follows:

Director and Key Management Personnel Shares	No. Shares held at 30 June 2024	Shares issued from capital raises during the year	No. Shares held at 30 June 2025	Additions after 30 June 2025 ³	Reductions after 30 June 2025 ⁴	No. Shares held at date of this Report
Directors						
Rory Luff ³	33,382,323	34,618,858	68,001,181	94,135,889	(150,845,248)	11,291,822
Dr. Reinout Koopmans	6,978,937	9,082,209	16,061,146	6,666,670	(21,212,628)	1,515,188
Richard Pearce ¹	-	-	-	-	-	-
Total Non-Executive Directors	40,361,260	43,701,067	84,062,327	100,802,559	(172,057,876)	12,801,010
Len Jubber ²	4,235,459	27,271,691	31,507,150	33,502,384	(60,675,565)	4,333,969
Total Executive Directors	4,235,459	27,271,691	31,507,150	33,502,384	(60,675,565)	4,333,969
Key Management Personnel						
Dr Babette Winter (Regional Director)	1,794,658	749,000	2,543,658	-	(2,374,081)	169,577
Total KMP	1,794,658	749,000	2,543,658	-	(2,374,081)	169,577
Total Directors and KMP	46,391,377	71,721,758	118,113,135	134,304,943	(235,107,522)	17,310,556

1. Appointed 20 June 2025.
2. Appointed Non-Executive Chair 1 February 2024, then appointed Executive Chair 22 May 2024.
3. "Additions after 30 June 2025" column: all additions relate to capital raising activities conducted over June to August 2025 including an Entitlement Issue and Two Tranche Placement, except for 517,161 shares which were purchased by a Director related entity of Rory Luff (over the period 26-28 August 2025) .
4. "Reductions after 30 June 2025" column: Relate to a 1 for 15 consolidation of securities that was implemented by the Company with effect from 20 August 2025.

Share options

The movement during the reporting period in the number of options over ordinary shares of the Company held directly, indirectly or beneficially, by each Director or KMP, including their personally related entities is as follows:

Director and Key Management Personnel Options	No. Options held at 30 June 2024	Additions during the Year	Options Expired during the Year	No. Options held at 30 June 2025	Additions after 30 June 2025 ³	Reductions after 30 June 2025 ⁴	No. Options held at date of this Report	Vested at 30 June 2025	Unvested at 30 June 2025
Directors									
Rory Luff	3,388,000	-	-	3,388,000	46,809,364	(46,850,873)	3,346,491	1,061,000	2,327,000
Dr. Reinout Koopmans	3,721,333	-	-	3,721,333	3,333,335	(6,317,690)	736,978	1,394,333	2,327,000
Richard Pearce ¹	-	5,000,000	-	5,000,000	-	(4,666,667)	333,333	-	5,000,000
Total Non-Executive Directors	7,109,333	5,000,000	-	12,109,333	50,142,699	(57,835,230)	4,416,802	2,455,333	9,654,000
Len Jubber ²	4,638,000	-	(1,000,000)	3,638,000	16,751,193	(19,029,912)	1,359,281	1,311,000	2,327,000
Total Executive Directors	4,638,000	-	(1,000,000)	3,638,000	16,751,193	(19,029,912)	1,359,281	1,311,000	2,327,000
Key Management Personnel									
Dr Babette Winter (Regional Director)	5,231,000	-	-	5,231,000	-	(4,882,267)	348,733	-	5,231,000

Total KMP	5,231,000	-	-	5,231,000	-	(4,882,267)	348,733	-	5,231,000
Total Directors and KMP	16,978,333	5,000,000	(1,000,000)	20,978,333	66,893,892	(81,747,409)	6,124,816	3,766,333	17,212,000

1. Appointed 20 June 2025.
2. Appointed Non-Executive Chair 1 February 2024, then appointed Executive Chair 22 May 2024.
3. "Additions after 30 June 2025" column: Relate to capital raising activities conducted over June to August 2025 including an Entitlement Issue and Two Tranche Placement in which one free attaching option was granted for every two ordinary shares acquired.
4. "Reductions after 30 June 2025" column: Relate to a 1 for 15 consolidation of securities that was implemented by the Company with effect from 20 August 2025.

Performance rights

The movement during the reporting period in the number of performance rights to acquire ordinary shares of the Company held directly, indirectly or beneficially, by each Director or KMP, including their personally related entities is set out in the table below. None of these performance rights have vested as at the date of this report:

Directors and Key Management Personnel	No. Performance Rights Held at 30 June 2024	Performance Rights Granted	Performance Rights Lapsed	No. Performance Rights Held at 30 June 2025	Additions after 30 June 2025	Reductions after 30 June 2025 ³	No. Performance Rights held at date of this Report
Directors							
Rory Luff	-	4,000,000	-	4,000,000	-	(3,733,333)	266,667
Dr. Reinout Koopmans	-	4,000,000	-	4,000,000	-	(3,733,333)	266,667
Richard Pearce ¹	-	-	-	-	-	-	-
Total Non-Executive Directors	-	8,000,000	-	8,000,000	-	(7,466,666)	533,334
Len Jubber ²	-	31,500,000	-	31,500,000	-	(29,400,000)	2,100,000
Total Executive Directors	-	31,500,000	-	31,500,000	-	(29,400,000)	2,100,000
Key Management Personnel							
Dr Babette Winter	-	9,000,000	-	9,000,000	-	(8,400,000)	600,000
Total KMP	-	9,000,000	-	9,000,000	-	(8,400,000)	600,000
Total Directors and KMP	-	48,500,000	-	48,500,000	-	(45,266,666)	3,233,334

1. Appointed 20 June 2025.
2. Appointed Non-Executive Chair 1 February 2024, then appointed Executive Chair 22 May 2024.
3. "Reductions after 30 June 2025" column: Relate to a 1 for 15 consolidation of securities that was implemented by the Company with effect from 20 August 2025.

Details of Remuneration

Details of remuneration of the Directors and KMP of the Group (as defined by AASB 124 Related Party Disclosures) and specified executives are set out below:

2025

Directors and Key Management Personnel Remuneration	Fixed		Equity Settled Share Based Payments			Total	
	Salary, Fees, Leave and other cash benefits \$	Non-cash benefits \$	Options and Performance Rights \$	Options / Performance Rights Lapsed/ Forfeited \$	Shares \$	Total Remuneration \$	Performance Based Remuneration % Total Salary
Directors							
Rory Luff	39,996	-	57,703	-	-	97,699	59%
Dr. Reinout Koopmans	40,000	-	57,703	-	-	97,703	59%
Richard Pearce ¹	1,111	-	151	-	-	1,262	12%
Total Non-Executive Directors	81,107	-	115,557	-	-	196,664	59%
Len Jubber ²	376,906	-	64,325	-	-	441,231	15%
Total Executive Directors	376,906	-	64,325	-	-	441,231	15%
Key Management Personnel							
Dr Babette Winter ³	261,332	7,373	49,531	-	-	318,236	16%
Total KMP	261,332	7,373	49,531	-	-	318,236	16%
Total Directors and KMP	719,345	7,373	229,413	-	-	956,131	24%

1. Appointed 20 June 2025.
2. Appointed Non-Executive Chair 1 February 2024, then appointed Executive Chair 22 May 2024.
3. Dr Babette Winter's role was reduced to an 80% of full-time equivalent basis from May 2024 onwards.

2024

Directors and Key Management Personnel Remuneration	Fixed		Equity Settled Share Based Payments			Total	
	Salary, Fees, Leave and other cash benefits \$	Non-cash benefits \$	Options \$	Options Lapsed/ Forfeited \$	Shares \$	Total Remuneration \$	Performance Based Remuneration % Total Salary
Directors							
Rory Luff ¹	40,000	-	26,860	-	-	66,860	40%
Dr. Reinout Koopmans ²	40,000	-	26,860	-	-	66,860	40%
Ian Farmer ³	43,928	-	90,171	-	-	134,099	67%
Seamus Cornelius ⁴	21,304	-	21,514	-	-	42,818	50%
Total Non-Executive Directors	145,232	-	165,405	-	-	310,637	53%
Len Jubber ⁵	84,892	-	29,079	-	-	113,971	26%
Luis da Silva ⁶	547,284	-	138,914	-	55,309	741,507	26%
Total Executive Directors	632,176	-	167,993	-	55,309	855,478	26%
Key Management Personnel							
Lawrence Berthelet ⁷	277,762	-	123,160	-	28,487	429,409	35%
Andrew Robertson ⁸	250,454	-	101,597	-	6,949	359,000	30%
Dr Babette Winter ⁹	243,882	7,239	21,394	-	33,806	306,321	18%
Total KMP	772,098	7,239	246,151	-	69,242	1,094,730	29%
Total Directors and KMP	1,549,506	7,239	579,549	-	124,551	2,260,845	31%

1. Rory Luff – fixed remuneration includes non-executive director fees payable of \$9,999 which were offset against the subscription price for 303,318 fully paid ordinary shares in the Company approved by shareholders at the 2023 AGM. The fixed remuneration includes amount also includes \$23,334 unpaid non-executive director fees which will be offset against Mr Luff's subscription monies owing as part of his (or his related entities') participation in the Aug-24 Placement to directors, which is subject to the approval of shareholders at the forthcoming 2024 AGM.
2. Dr Reinout Koopmans – fixed remuneration includes non-executive director fees payable of \$8,743 which were offset against the subscription price for 265,212 fully paid ordinary shares in the Company approved by shareholders at the 2023 AGM. The fixed remuneration includes amount also includes \$27,489 unpaid non-executive director fees which will be offset against Dr Koopman's subscription monies owing as part of his (or his related entities') participation in the Aug-24 Placement to directors, which is subject to the approval of shareholders at the forthcoming 2024 AGM.
3. Ian Farmer resigned 26 January 2024. Fixed remuneration includes non-executive director fees payable of \$8,791 which were offset against the subscription price for 266,678 fully paid ordinary shares in the Company approved by shareholders at the 2023 AGM.
4. Seamus Cornelius was appointed 21 August 2023, resigned 10 March 2024. Fixed remuneration includes non-executive director fees payable of \$4,231 which were offset against the subscription price for 119,591 fully paid ordinary shares in the Company approved by shareholders at the 2023 AGM.
5. Len Jubber was appointed Non-Executive Chair 1 February 2024, then appointed Executive Chair 22 May 2024. Fixed remuneration of \$84,892 comprises \$46,317 fixed Non-Executive Director salary for the period from 1 July 2023 to 21 May 2024, and Executive Chair fixed salary of \$38,575 from 22 May 2024 until 30 June 2024. Fixed remuneration includes non-executive director fees payable of \$9,999 which were offset against the subscription price for 303,318 fully paid ordinary shares in the Company approved by shareholders at the 2023 AGM. The fixed remuneration includes amount also includes \$36,318 unpaid non-executive director fees which will be offset against Mr Jubber's subscription monies owing as part of his (or his related entities') participation in the Aug-24 Placement to directors, which is subject to the approval of shareholders at the forthcoming 2024 AGM.
6. Luis da Silva was appointed as Managing Director 1 November 2022, resigned 31 May 2024. His fixed remuneration includes termination payments totalling \$151,223 in lieu of three-months' notice.
7. Lawrence Berthelet was Appointed Chief Operating Officer 1 January 2023, resigned 31 May 2024.
8. Andrew Robertson ceased employment as Chief Financial Officer on 30 April 2024.
9. Dr Babette Winter's role was reduced to an 80% of full-time equivalent basis from May 2024 onwards.

The following table sets out the details of performance rights granted as remuneration during the year ended 30 June 2025:

Directors and Key Management Personnel Performance Rights Granted as Remuneration	Grant Date	Exercise Price	Expiry Date	Granted as Remuneration	Cancelled	Fair Value per Performance Right	Value of Performance rights
Directors							
Rory Luff	28-Nov-24	\$0.00000	30-Nov-29	4,000,000	-	\$0.01100	\$44,000
Dr. Reinout Koopmans	28-Nov-24	\$0.00000	30-Nov-29	4,000,000	-	\$0.01100	\$44,000
Total Non-Executive Directors				8,000,000	-		\$88,000
Len Jubber	28-Nov-24	\$0.00000	1-Jul-27	5,250,000	-	\$0.01100	\$57,750
Len Jubber	28-Nov-24	\$0.00000	1-Jan-30	8,750,000	-	\$0.01100	\$96,250
Len Jubber	28-Nov-24	\$0.00000	1-Jan-29	5,250,000	-	\$0.01100	\$57,750
Len Jubber	28-Nov-24	\$0.00000	1-Jul-29	12,250,000	-	\$0.00760	\$93,100
Total Executive Directors				31,500,000	-		\$304,850
Total Directors				39,500,000	-		\$392,850
Key Management Personnel							
Dr Babette Winter	28-Nov-24	\$0.00000	1-Jul-29	9,000,000	-	\$0.00760	\$68,400
Total KMP				9,000,000	-		\$68,400
Total Directors + KMP				48,500,000	-		\$461,250

Performance rights granted carry no dividend or voting rights. All performance rights were granted over unissued fully paid shares in the Company. None of the above performance rights were fully vested or exercised during the year.

The following table sets out the details of options granted as remuneration during the year ended 30 June 2025:

Directors and Key Management Personnel Options Granted as Remuneration	Grant Date	Exercise Price	Expiry Date	Granted as Remuneration	Cancelled	Fair Value per Option	Value of Options
Directors							
Richard Pearce	19-Jun-25	\$0.00600	19-Jun-29	5,000,000	-	\$0.00189	\$9,458
Total Non-Executive Directors				5,000,000	-		\$9,458
Total Directors				5,000,000	-		\$9,458
Total Directors + KMP				5,000,000	-		\$9,458

Options granted carry no dividend or voting rights. All options were granted over unissued fully paid shares in the Company. None of the above options were fully vested or exercised during the year.

There were no other Director and KMP transactions.

End of the Audited Remuneration Report.



Len Jubber
Executive Chair
South Harz Potash Limited
26 September 2025

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

As lead auditor of South Harz Potash Limited for the year ended 30 June 2025, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 26 September 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 the 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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Statement of profit or loss and other comprehensive loss for the year ended 30 June 2025

		Consolidated	
	Note	2025	2024
		\$	\$
Revenue from continuing operations			
Interest income	4	2,067	1,682
Expenses			
Exploration and development costs		(336,106)	(4,508,859)
Administration expenses		(594,327)	(908,694)
Corporate expenses		(570,703)	(1,055,853)
Director fees and key management costs		(726,718)	(1,556,745)
Depreciation expense		(25,968)	(40,256)
Interest expense		(87,861)	-
Foreign exchange gain/(loss)		36,217	(32,373)
Consulting expenses		(487,672)	(296,997)
Share-based payments		(332,849)	(752,924)
Loss before income tax expense		(3,123,920)	(9,151,019)
Income tax expense	5	-	-
Loss after income tax expense		(3,123,920)	(9,151,019)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation reserve		58,520	(127,212)
Other comprehensive income for the year, net of tax		58,520	(127,212)
Total comprehensive income for the year		(3,065,400)	(9,278,231)
		Consolidated	
	Note	2025	2024
		\$	\$
Earnings per share for loss attributable to the owners of South Harz Potash Limited			
Basic earnings per share	24	(0.31)	(1.22)
Diluted earnings per share	24	(0.31)	(1.22)

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

Statement of financial position as at 30 June 2025

	Note	Consolidated 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	6	546,735	253,632
VAT and other receivables	7	85,050	255,187
Total current assets		631,785	508,819
Non-current assets			
Property, plant and equipment		56,374	75,445
Exploration and evaluation	9	2,224,922	1,996,525
Total non-current assets		2,281,296	2,071,970
Total assets		2,913,081	2,580,789
Liabilities			
Current liabilities			
Trade and other payables	8	2,130,962	2,094,973
Total current liabilities		2,130,962	2,094,973
Total liabilities		2,130,962	2,094,973
Net assets		782,119	485,816
Equity			
Issued capital	10	42,414,791	39,385,937
Reserves	11	2,849,941	2,458,572
Accumulated losses		(44,482,613)	(41,358,693)
Total equity		782,119	485,816

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

Statement of changes in equity for the year ended 30 June 2025

2025	Contributed Equity	Performance Rights Reserve	Options Reserve	Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
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	-	-	-	-	(3,123,920)	(3,123,920)
Other comprehensive income for the year, net of tax	-	-	-	58,520	-	58,520
Total comprehensive income for the year	-	-	-	58,520	(3,123,920)	(3,065,400)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	3,028,854	-	-	-	-	3,028,854
Share-based payments (refer to note 13)	-	94,425	238,424	-	-	332,849
Balance at 30 June 2025	42,414,791	94,425	2,500,669	254,847	(44,482,613)	782,119

2024	Contributed Equity	Performance Rights Reserve	Options Reserve	Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
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	-	-	-	-	(9,151,019)	(9,151,019)
Other comprehensive income for the year, net of tax	-	-	-	(127,212)	-	(127,212)
Total comprehensive income for the year	-	-	-	(127,212)	(9,151,019)	(9,278,231)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	5,531,387	-	90,424	-	-	5,621,811
Share-based payments (refer to note 13)	124,551	-	628,373	-	-	752,924
Balance at 30 June 2024	39,385,937	-	2,262,245	196,327	(41,358,693)	485,816

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

Statement of cash flows for the year ended 30 June 2025

		Consolidated	
		2025	2024
	Note	\$	\$
Cash flows from operating activities			
Interest received		2,067	1,682
Interest expense		(87,861)	-
Exploration and development costs		(336,106)	(4,508,859)
Payments to suppliers and employees		(2,180,793)	(3,699,831)
Net cash used in operating activities	23	(2,602,693)	(8,207,008)
Cash flows from investing activities			
Additions to Property, Plant and Equipment		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		2,977,657	5,922,892
Proceeds from borrowings		100,000	-
Payments for capital raising costs		(182,920)	(335,048)
Net cash from financing activities		2,894,737	5,587,844
Net decrease in cash and cash equivalents		292,044	(2,619,164)
Cash and cash equivalents at beginning of year		253,632	2,267,185
Effects of foreign exchange cash movements		1,059	605,611
Cash and cash equivalents at end of the year	6	546,735	253,632

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

Notes to the financial statements 30 June 2025

Note 1. Material Accounting Policy 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 accounting policies that are material to the consolidated entity are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements were authorised for issue by the Directors, on 26 September 2025

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 evaluation expenditure is expensed 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.

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 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.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Material uncertainty related to going concern

The financial report has been prepared on the 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 Company incurred an operating loss of \$3,123,920 (2024: \$9,151,019) and incurred negative cash flows from operations of \$2,602,693 (2024: \$8,207,008)

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. 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.
- The Directors are exploring a variety of options to raise funds. 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.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Revenue recognition

The Company recognises income as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

South Harz Potash Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Impairment of financial assets

Receivables are recognised initially at the amount of consideration that is unconditional. The consolidated entity holds trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Any impairment or expected loss allowance is recorded in a separate account and any write off is offset against this account in the future.

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment: 3-5 years

Other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits*Share-based payments*

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, performance rights, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte-Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity has not yet assessed the impact of these not yet mandatory new or amended Accounting Standards and Interpretations. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes model or a Monte-Carlo model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 13 for further details.

Exploration and development costs

Exploration and development costs will only be capitalised after a defined feasibility study has been completed on a project and the key permits have been obtained at which point the commercial viability of the project can be assessed. The costs will then be amortised based on the life of mine estimate. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments*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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Australia	-	-	-	-
Germany	-	-	2,281,296	2,071,970
	-	-	2,281,296	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	
	2025	2024
	\$	\$
Interest income	2,067	1,682

Note 5. Income tax expense

	Consolidated	
	2025	2024
	\$	\$
Prima facie tax benefit at the Australian tax rate of 30%	937,176	2,745,306
Tax effect amounts which are not deductible/(taxable) in calculating taxable income;		
Share based payments	(99,855)	(225,877)
Deferred taxes not brought into account	(837,321)	(2,519,429)
Income tax expense	-	-
Current tax expense	(837,321)	(2,519,429)
Deferred tax expense	837,321	2,519,429
Income tax expense	-	-
Tax assets not recognised at 30%		
Unused tax losses for which no deferred tax asset has been recognized	4,647,718	3,261,623
Temporary differences	75,000	65,066
Potential tax benefit	4,722,718	3,326,689

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the similar business test is passed. The above potential tax benefit not recognised relates to activities from the Australian operations only.

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2025	2024
	\$	\$
Cash at bank	546,735	253,632
	546,735	253,632

Note 7. VAT and other receivables

	Consolidated	
	2025	2024
	\$	\$
Deposits & other receivables	58,385	63,019
VAT & GST refunds	26,665	192,168
	85,050	255,187

Note 8. Trade and other payables

	Consolidated	
	2025	2024
	\$	\$
Current Liabilities		
Trade payables ¹	1,768,467	1,785,742
Other payables	362,495	309,231
Total current trade and other payables	2,130,962	2,094,973

¹ Trade payables balances owing to two creditors of the Company's wholly-owned German subsidiary, Südharz Kali GmbH (**SHK**) totalling \$1,406,704 (€784,772) as at 30 June 2025. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec AG Salt Technologies (**K-Utec**) and ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau GmbH (**Ercosplan**). SHK is paying interest to these creditors at 5% per annum on the amount owed a monthly basis until the debts have been repaid.

The Company and K-Utec signed binding agreements to defer the repayment of invoices owing, totalling €309,861 (\$555,426) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed. Subsequently to this agreement, the parties then agreed in June 2025 that K-Utec would subscribe for 152,327,000 new shares with 76,163,500 Rights Issue Options in the Company as part of Tranche 2 of its share placement announced on 30 June 2025. The amount of A\$456,981 owing by K-Utec on this subscription is to be partially offset against the outstanding balance of €309,861 owed to K-Utec by the Company, with the residual balance of €49,480 to be paid in cash by the Company upon issue of the shares. Subsequent to the financial year end, on 20 August 2025 these shares were issued to K-Utec and the Company paid the cash payment of €49,480 to K-Utec on 27 August 2025 in full settlement of the debt owing to K-Utec.

The company and Ercosplan agreed non-binding terms during the financial year to defer the repayment of invoices owing, totalling €474,911 (\$851,278) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed, and the grant by the Company of a first ranking mortgage over its interest in the Ebeleben mining lease in Thuringia, Germany, as security for the amount owed. Subsequent to the financial year end, in July 2025 the parties signed binding agreements to reflect these arrangements.

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2025	2024
	\$	\$
Exploration and evaluation - at cost	2,224,922	1,996,525
	2,224,922	1,996,525
Reconciliations at the beginning and end of the current and previous financial year are set out below:		
Consolidated		Exploration and evaluation
		\$
Balance at 1 July 2024		1,996,525
Additions		-
Exchange difference on opening balance		228,397
Balance at 30 June 2025		2,224,922
Balance at 1 July 2023		2,042,924
Additions		-
Exchange difference on opening balance		(46,399)
Balance at 30 June 2024		1,996,525

Note 10. Equity – Issued Capital

	Consolidated		Consolidated	
	2025	2024	2025	2024
			\$	\$
Ordinary shares - fully paid	1,283,062,044	827,184,972	42,414,791	39,385,937
Ordinary share capital				
Details	Date	No of shares	Issue Price	\$
Balance	01-Jul-24	827,184,972		39,385,937
Placement Shares - Tranche 1	9-Aug-24	58,733,300	\$0.010	587,333
Placement Shares – Tranche 1 (in lieu of services)	9-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 accrued former Director fees)	23-Sep-24	1,463,165	\$0.010	14,632
Shortfall Shares (placed 19-Nov-24)	19-Nov-24	42,550,000	\$0.010	425,500
Placement Shares (in lieu of services)	20-Nov-24	4,147,500	\$0.010	41,475
Shortfall Shares (placed 13-Dec-24)	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 (in lieu of accrued Director fees)	16-Dec-24	9,380,790	\$0.010	93,808
Director Placement Shares	16-Dec-24	10,000,000	\$0.010	100,000
Placement Shares (in lieu of services)	31-Dec-24	2,736,600	\$0.010	27,366
Placement Shares - Tranche 1	27-Feb-25	29,850,000	\$0.010	298,500
Placement Shares - Tranche 2	12-May-25	5,000,000	\$0.010	50,000
Director Placement Shares	12-May-25	15,150,000	\$0.010	151,500
Placement Shares - Tranche 1	27-Jun-25	180,333,336	\$0.003	541,000
Capital raising costs				(267,584)
Balance	30-Jun-25	1,283,062,044		42,414,791

Ordinary share capital

Details	Date	No of shares	Issue Price	\$
Balance	30-Jun-23	600,012,429		33,729,999
Placement	10-Aug-23	80,493,996	\$0.030	2,414,820
Share purchase plan	31-Aug-23	32,999,937	\$0.030	989,998
Staff bonus	27-Nov-23	4,613,003	\$0.027	124,551
Shares to Directors in lieu of services	27-Nov-23	1,258,037	\$0.027	33,967
Placement to Directors	27-Nov-23	5,500,000	\$0.030	165,000
Placement	22-Dec-23	55,221,736	\$0.023	1,270,100
Rights Issue	04-Mar-24	25,480,834	\$0.023	586,059
Placement of entitlement issue shortfall	28-Mar-24	16,605,000	\$0.023	381,915
Placement of entitlement issue shortfall	03-Apr-24	5,000,000	\$0.023	115,000
Capital raising costs		-		(425,472)
Balance	30-Jun-24	827,184,972		39,385,937

Shareholders are entitled to participate in dividends and proceeds to the Company in a winding up.

Capital raising and consolidation of securities subsequent to the financial year end

The Company's capital raising activities resulted in commitments for the issue of new shares and options subsequent to the financial year end. These are set out, on a basis prior to the 1-for-15 consolidation the Company's securities which was implemented on 20 August 2025:

- The June Entitlement Offer resulted in the issue of 188,661,286 new shares and 94,330,692 attaching new options on 31 July 2025 for gross new equity of \$565,984,
- Tranche 2 of the June Placement secured commitments for 430,523,966 new shares and 215,261,983 attaching new options representing \$1,291,571 of gross new equity (including \$620,522 of gross new equity from service providers), and
- The August Shortfall Offer secured commitments for 60,000,000 shares and 30,000,000 attaching new options, representing gross new equity of \$180,000.

Note 11. Equity - reserves

	Consolidated	
	2025	2024
	\$	\$
Foreign currency translation reserve	254,847	196,327
Performance rights reserve	94,425	-
Options reserve	2,500,669	2,262,245
	2,849,941	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 and employees.

Options reserve

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

Note 12. Equity – Options and Performance Rights**a) Options**

Set out below are details of options on issue:

2025

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]
02-Dec-20	02-Dec-24	\$0.1200	\$0.02600	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]
20-Dec-21	17-Dec-24	\$0.2400	\$0.05503	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]
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]
22-Dec-23	21-Dec-26	\$0.0800	\$0.00715	3,500,000	-	-		3,500,000	3,500,000	[2]
19-Jun-25	19-Jun-29	\$0.0060	\$0.00189	-	5,000,000	-		5,000,000	-	[3][S]
				113,414,716	5,000,000	-	(12,384,168)	106,030,548	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

2024

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
09-Nov-18	31-Jul-23	\$0.2000	Nil	33,221,680	-	-	(33,221,680)	-	-	[1]
09-Nov-18	09-Nov-23	\$0.2000	Nil	7,500,000	-	-	(7,500,000)	-	-	
20-Dec-18	31-Jul-23	\$0.2000	Nil	1,142,857	-	-	(1,142,857)	-	-	[1]
10-Sep-19	31-Jul-23	\$0.2000	Nil	10,926,133	-	-	(10,926,133)	-	-	[1]
12-Dec-19	31-Jul-23	\$0.2000	Nil	885,119	-	-	(885,119)	-	-	[1]
24-Apr-20	31-Jul-23	\$0.0750	Nil	2,275,000	-	-	(2,275,000)	-	-	[1]
31-Jul-20	31-Jul-23	\$0.0750	Nil	825,000	-	-	(825,000)	-	-	[1]
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]
25-Jan-21	25-Jan-24	\$0.0675	\$0.03350	3,958,667	-	-	(3,958,667)	-	-	[2]
25-Jan-21	25-Jan-24	\$0.0890	\$0.03037	3,958,666	-	-	(3,958,666)	-	-	[2]
25-Jan-21	25-Jan-24	\$0.1125	\$0.02782	3,958,666	-	-	(3,958,666)	-	-	[2]
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]
				114,024,297	68,042,207	-	(68,651,788)	113,414,716	74,725,716	

[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

b) Performance rights

Set out below are details of performance rights on issue:

2025

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	\$0.01100	-	8,000,000	-	-	8,000,000	-	[5][S]
28-Nov-24	01-Jul-27	Nil	\$0.01100	-	5,250,000	-	-	5,250,000	-	[5][P][S]
28-Nov-24	01-Jan-30	Nil	\$0.01100	-	8,750,000	-	-	8,750,000	-	[5][P][S]
28-Nov-24	01-Jan-29	Nil	\$0.01100	-	5,250,000	-	-	5,250,000	-	[5][P][S]
28-Nov-24	01-Jul-29	Nil	\$0.00760	-	21,250,000	-	-	21,250,000	-	[5][M][S]
					48,500,000			48,500,000		

[5] Director performance rights

[P] Project performance-based vesting conditions apply to these 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

Capital raising and consolidation of securities subsequent to the financial year end

The Company's capital raising activities resulted in commitments for the issue of new shares and options subsequent to the financial year end. These are set out, on a basis prior to the 1-for-15 consolidation the Company's securities which was implemented on 20 August 2025:

- The June Entitlement Offer resulted in the issue of 188,661,286 new shares and 94,330,692 attaching new options on 31 July 2025 for gross new equity of \$565,984,
- Tranche 2 of the June Placement secured commitments for 430,523,966 new shares and 215,261,983 attaching new options representing \$1,291,571 of gross new equity (including \$620,522 of gross new equity from service providers), and
- The August Shortfall Offer secured commitments for 60,000,000 shares and 30,000,000 attaching new options, representing gross new equity of \$180,000.

Note 13. Share-based payments**a) Ordinary Shares****2025**

On 16 December 2024 the Executive Chair, Mr Len Jubber, and Non-Executive Directors, Mr Rory Luff and Dr Reinout Koopmans, were issued with a total of 9,380,790 fully paid ordinary shares in settlement of \$93,808 of accrued Director Fees of which \$6,668 was accrued in the current financial year and \$87,139 was accrued in the prior financial year ended 30 June 2024.

In addition, on 16 December 2024 Director related entities of Mr Len Jubber and Mr Rory Luff were issued with a total of 10,000,000 fully paid ordinary shares in repayment of loans in the amount of \$100,000 made by those entities to the Company during the financial year.

On 23 September 2024, a former Non-Executive Director of the Company was issued with 1,463,165 fully paid ordinary shares in settlement of \$14,632 of accrued Director Fees relating to the prior financial year ended 30 June 2024.

Share Based Payments were also made during the financial year to service providers in lieu of consulting services performed during the financial year (6,884,100 fully paid ordinary shares in settlement of services to the value of \$68,841) and during the previous financial year ended (4,150,000 fully paid ordinary shares in settlement of services to the value of \$41,500).

Subsequent to the financial year end, consulting services to the value of \$124,507 and capital raising costs in the amount of \$9,339 which were accrued as at 30 June 2025 were settled with the providers of these services by way of the issue of shares and attaching options on 20 August 2025 as part of tranche 2 of the June Placement.

2024

On 27 November 2023 the Managing Director and Key Management Personnel were issued with a total of 4,613,003 fully paid ordinary shares in the Company for Nil consideration. These were bonus shares issued pursuant to shareholder approval at the 2023 Annual General Meeting as a means to reward and incentivize these staff members.

Directors and Key Management Personnel recipient of bonus shares	Issue Date	No. of Shares received	Share Based Payment Expense \$
Luis da Silva	27-Nov-23	2,048,495	55,309
Total Executive Directors		2,048,495	55,309
Lawrence Berthelet	27-Nov-23	1,055,072	28,487
Andrew Robertson	27-Nov-23	257,358	6,949
Dr Babette Winter	27-Nov-23	1,252,078	33,806
Total KMP		2,564,508	69,242
Total Directors and KMP		4,613,003	124,551

b) Options:**2025**

Tranche	Grant Date	Expiry Date	Exercise Price	Fair Value per Option	Granted as Remuneration	Expired / Exercised	Expense for the Year	Note
Tranche 1	27-Nov-20	2-Dec-24	\$0.1200	\$0.03000	3,500,000	(3,500,000)	-	[V]
Tranche 2	27-Nov-20	2-Dec-24	\$0.0800	\$0.02600	3,500,000	(3,500,000)	-	[V]
Tranche 3	4-May-21	27-May-26	\$0.2030	\$0.04690	6,824,711	(2,218,106)	-	[V]
Tranche 4	4-May-21	27-May-25	Nil	\$0.09200	1,000,000	(1,000,000)	-	[E]
Tranche 5	5-Aug-21	5-Aug-26	\$0.1511	\$0.02129	192,069	-	-	[V]
Tranche 6	30-Mar-22	30-Mar-27	\$0.1606	\$0.17044	3,802,000	(1,420,000)	69,462	[V]
Tranche 7	30-Sep-22	30-Sep-27	\$0.120	\$0.03288	3,890,000	(1,272,000)	34,360	[F]
Tranche 8	17-Oct-22	17-Oct-27	\$0.123	\$0.02897	1,000,000		-	[G]
Tranche 9	2-Nov-22	31-Oct-27	\$0.055	\$0.03790	2,000,000		-	[V]
Tranche 10	2-Nov-22	31-Oct-27	\$0.082	\$0.03490	2,000,000		-	[V]
Tranche 11	2-Nov-22	31-Oct-27	\$0.109	\$0.03260	2,000,000		-	[V]
Tranche 12	2-Nov-22	31-Oct-27	\$0.136	\$0.03070	2,000,000		-	[V]
Tranche 13	10-Nov-22	10-Nov-27	\$0.150	\$0.02856	4,623,000		26,393	[G]
Tranche 14	23-Feb-24	1-Jan-28	\$0.066	\$0.02348	3,000,000		-	[V]
Tranche 15	23-Feb-24	1-Jan-28	\$0.088	\$0.02110	3,000,000		-	[V]
Tranche 16	23-Feb-24	27-May-25	\$0.088	\$0.00375	1,000,000	(1,000,000)	-	[G]
Tranche 17	10-Feb-23	30-Sep-27	\$0.120	\$0.02446	200,000		1,223	[F]
Tranche 18	21-Aug-23	21-Aug-27	\$0.064	\$0.01767	1,000,000		-	[F]
Tranche 19	26-Sep-23	31-Oct-28	\$0.056	\$0.02122	9,134,000		38,610	[F]
Tranche 20	26-Oct-23	31-Oct-28	\$0.056	\$0.01785	19,181,000		68,225	[F]
Tranche 26	19-Jun-25	19-Jun-29	\$0.006	\$0.00189	5,000,000	-	151	[H]
					77,846,780	(13,910,106)	238,424	

[E] Issued in error and subsequently cancelled

[F] Vest when 20-day volume weighted average share price reaches \$0.12

[G] Vest when 20-day volume weighted average share price reaches 100% above the share prior at grant date

[H] Vest after 18 months of continuous service (to 19 December 2026) as a director

[V] Vested

2024

Tranche	Grant Date	Expiry Date	Exercise Price	Fair Value per Option	Granted as Remuneration	Expired / Exercised	Expense for the Year	Note
Tranche 1	27-Nov-20	02-Dec-24	\$0.1200	\$0.03000	3,500,000	-	-	[V]
Tranche 2	27-Nov-20	02-Dec-24	\$0.0800	\$0.02600	3,500,000	-	2,795	[V]
Tranche 3	04-May-21	27-May-26	\$0.2030	\$0.04690	6,824,711	(2,218,106)	-	[V]
Tranche 4	04-May-21	27-May-25	Nil	\$0.09200	1,000,000	(1,000,000)	-	[E]
Tranche 5	05-Aug-21	05-Aug-26	\$0.1511	\$0.02129	192,069	-	-	[V]
Tranche 6	30-Mar-22	30-Mar-27	\$0.1606	\$0.17044	3,802,000	(1,420,000)	251,886	[VS]
Tranche 7	30-Sep-22	30-Sep-27	\$0.120	\$0.03288	3,890,000	(1,272,000)	28,413	[F]
Tranche 8	17-Oct-22	17-Oct-27	\$0.123	\$0.02897	1,000,000		15,437	[G]
Tranche 9	02-Nov-22	31-Oct-27	\$0.055	\$0.03790	2,000,000		-	[V]
Tranche 10	02-Nov-22	31-Oct-27	\$0.082	\$0.03490	2,000,000		23,586	[V]
Tranche 11	02-Nov-22	31-Oct-27	\$0.109	\$0.03260	2,000,000		43,675	[V]
Tranche 12	02-Nov-22	31-Oct-27	\$0.136	\$0.03070	2,000,000		47,887	[V]
Tranche 13	10-Nov-22	10-Nov-27	\$0.150	\$0.02856	4,623,000		26,463	[G]
Tranche 14	23-Feb-23	01-Jan-28	\$0.066	\$0.02348	3,000,000		41,676	[V]
Tranche 15	23-Feb-23	01-Jan-28	\$0.088	\$0.02110	3,000,000		51,426	[V]
Tranche 16	23-Feb-23	27-May-25	\$0.203	\$0.00375	1,000,000		2,219	[G]
Tranche 17	10-Feb-23	30-Sep-27	\$0.120	\$0.02446	200,000		2,654	[F]
Tranche 18	21-Aug-23	21-Aug-27	\$0.064	\$0.01767	1,000,000		17,669	[V]
Tranche 19	26-Sep-23	31-Oct-28	\$0.056	\$0.02122	9,134,000		26,232	[G]
Tranche 20	26-Oct-23	31-Oct-28	\$0.056	\$0.01785	19,181,000		46,355	[G]
					72,846,780	(5,910,106)	628,373	

[E] Issued in error and subsequently cancelled

[F] Vest when 20-day volume weighted average share price reaches \$0.12

[G] Vest when 20-day volume weighted average share price reaches 100% above the share prior at grant date

[V] Vested

[VS] A subset of options in this tranche have Vested

Valuation of Share Based Payments

A summary of the key assumptions used in applying the Option Valuation Models to the share-based payments recognised is as follows:

2025

	Black-Scholes option valuation
	Director
	Input for 5.0 million options (Tranche 26)
Variable	
Spot price	\$0.003
Exercise price	\$0.006
Life	4.0
Volatility	107%
Dividend yield	Nil
Risk free rate	3.67%
Call option value	\$0.00189

Expected volatility is based on historic volatility of the Company's shares over recent trading periods, aligned to the expected life of the options.

c) Performance Rights

An Employee Security Ownership Plan was established by the Company and approved by shareholders at a general meeting held on 28 November 2024, whereby the Company may grant rights over ordinary shares in the Company to Directors and Officers of the consolidated entity. Set out below are summaries of Performance Rights granted, reversed and expired under the plan:

2025

Tranche	Grant Date	Expiry Date	Exercise Price	Fair Value per Option	Granted as Remuneration	Expired / Exercised	Expense for the Year	Note
Tranche 21	28-Nov-24	30-Nov-29	Nil	\$0.01100	8,000,000	-	49,376	[PR1]
Tranche 22	28-Nov-24	1-Jul-27	Nil	\$0.01100	5,250,000	-	3,992	[PR2]
Tranche 23	28-Nov-24	1-Jan-30	Nil	\$0.01100	8,750,000	-	3,618	[PR3]
Tranche 24	28-Nov-24	1-Jan-29	Nil	\$0.01100	5,250,000	-	3,096	[PR4]
Tranche 25	28-Nov-24	1-Jul-29	Nil	\$0.00760	21,250,000	-	34,343	[PR5]
					48,500,000	-	94,425	

[PR1] Performance Rights - Vest on 28 November 2025. Service conditions require that the holder must remain a director during the vesting period.

[PR2] Performance Rights - Project related vesting conditions on 1 July 2025. Service conditions require that the employee must remain employed director during the vesting period.

[PR3] Performance Rights - Project related vesting conditions on 1 January 2028. Service conditions require that the employee must remain employed director during the vesting period.

[PR4] Performance Rights - Project related vesting conditions on 1 January 2027. Service conditions require that the employee must remain employed director during the vesting period.

[PR5] Performance Rights issued under Long Term Incentive Plan - share price vesting conditions on 1 July 2027. Service conditions require that the employee must remain employed director during the vesting period.

2024

No performance rights were on issue throughout the financial year.

Valuation of Share Based Payments

A summary of the key assumptions used in applying the Performance Rights Valuation Model to the share-based payments recognised is as follows:

2025

	Black-Scholes valuation				Monte-Carlo valuation
	Directors	Executive Chair	Executive Chair	Executive Chair	Executive Chair & KMP
Variable	Input for 8.0 million performance rights (Tranche 21)	Input for 5.25 million performance rights (Tranche 22)	Input for 8.75 million performance rights (Tranche 23)	Input for 5.25 million performance rights (Tranche 24)	Input for 21.25 million performance rights (Tranche 25)
Spot price	\$0.011	\$0.011	\$0.011	\$0.011	\$0.011
Exercise price	Nil	Nil	Nil	Nil	Nil
Life	5.10	2.84	5.35	4.35	4.54
Volatility	114%	96%	101%	96%	99%
Dividend yield	Nil	Nil	Nil	Nil	Nil
Risk free rate	3.84%	4.07%	4.17%	4.07%	4.17%
Performance rights value	\$0.011	\$0.01100	\$0.01100	\$0.01100	\$0.00760

Note 14. Financial instruments**Financial risk management objectives**

The consolidated entity's activities expose it to a variety of financial risks: foreign currency risk (including price risk and interest rate risk) and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Derivatives are not used as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk.

Risk management is carried out under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

Foreign currency risk

Exposure to foreign currency risk may result from movement in foreign exchange rates of currencies in which the consolidated entity incurs operating costs which are other than its AUD functional currency. The consolidated entity's foreign currency risk is mitigated through the use of foreign currency bank accounts.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The consolidated entity manages liquidity risk by maintaining adequate cash reserves, or from funds raised in the market, or by debt and by continuously monitoring forecast and actual cash flows. The liquidity profile of the consolidated entity's financial liabilities are disclosed in the relevant notes below.

Consolidated group	2025		2024	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	546,735	546,735	253,632	253,632
Other receivables:	58,385	58,385	63,019	63,019
Total financial assets	605,120	605,120	316,651	316,651
Financial liabilities				
Financial liabilities at amortised cost:				
Trade and other payables	2,130,962	2,130,962	2,094,973	2,094,973
Total financial liabilities	2,130,962	2,130,962	2,094,973	2,094,973

Note 15. Key management personnel disclosures**Compensation**

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	726,718	1,405,522
Termination payments	-	151,223
Share-based payments	229,413	704,100
	956,131	2,260,845

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	Consolidated	
	2025	2024
	\$	\$
Audit & Review Fee – BDO	65,000	65,000
	65,000	65,000

Note 17. Contingent liabilities

There are no contingent liabilities as at 30 June 2025 and 30 June 2024.

Note 18. Commitments

There are no commitments as at 30 June 2025 and 30 June 2024 which have not been disclosed in the statement of financial position.

Note 19. Legal parent entity information

Set out below is the supplementary information about the parent entity:

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$	\$
Loss after income tax	(488,996)	(2,127,870)
Total comprehensive income	(488,996)	(2,127,870)

Statement of financial position

	Parent	
	2025	2024
	\$	\$
Total current assets	559,643	90,682
Total assets	1,254,730	918,232
Total current liabilities	472,611	432,416
Total liabilities	472,611	432,416
Net Assets	782,119	485,816
Equity		
Issued capital	42,414,791	39,385,937
Reserves	2,594,976	2,280,425
Accumulated losses	(44,227,648)	(41,180,546)
Total equity	782,119	485,816

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost

Note 20. Subsidiaries

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	
		2025	2024
		%	%
South Harz Potash (Australia) Pty Ltd	Australia	100.00	100.00
Südharz Kali GmbH	Germany	100.00	100.00

Note 21. Events after the reporting period**June to August 2025 capital raising activities**

In June 2025, the Company announced an equity raising of up to \$3,115,636 comprising a two-tranche placement (**June Placement**) of approximately \$1,832,572 (610,857,302 shares at an issue price of \$0.003 per share) and a 1-for-3 pro-rata non-renounceable entitlement offer to raise up to \$1,283,062 at the same issue price (**June**

Entitlement Offer). New shares issued under the June Placement or the June Entitlement Offer included one free attaching option for every two new shares, exercisable at \$0.006 and expiring two years from issue.

Tranche 1 of the June Placement raised \$541,000 in gross new equity from 180,333,336 new shares that were issued on 27 June 2025. Tranche 2 of the June Placement, secured commitments for \$1,291,571 in gross new equity, which was subject to, and received shareholder approval at the Company's general meeting on 15 August 2025. It included \$620,522 of shares to be issued to service providers in lieu of cash, including a creditor offset arrangement with K-Utec (see details below). Directors Len Jubber, Rory Luff and Reinout Koopmans also provided firm commitments to subscribe (either themselves or through their director-related entities) for \$294,000 in Tranche 2.

In July 2025, the Company announced the results of the June Entitlement Offer. Of the 427,688,078 shares offered, 188,661,286 new shares were issued to eligible shareholders (including applications for additional shares) on 31 July 2025 representing gross new equity of \$565,984. Directors Len Jubber, Rory Luff and Reinout Koopmans supported the offer through subscriptions under their (or their director-related entities') entitlements.

The completion of the June Entitlement Offer left a shortfall of 239,026,792 shares (**August Shortfall Shares**), following which the Company undertook efforts to place these shares (**August Shortfall Offer**). On 18 August 2025, the Company closed the August Shortfall Offer with commitments of \$180,000 for 60,000,000 new shares from a combination of new and existing investors and Directors. Director participation included additional commitments totalling \$70,000 from Len Jubber and newly appointed Non-Executive Director Richard Pearce, which are subject to shareholder approval at the Company's Annual General Meeting expected to be held in November 2025. All August Shortfall Shares were issued on the same terms as the June Entitlement Offer (share issue price of \$0.003 with attaching options on a 1-for-2 basis with exercise price of \$0.006 and two-year expiry from issue).

Aggregating the June Placement, the June Entitlement Offer, the August Shortfall Offer and Director subscriptions to be approved at the forthcoming AGM, the Company secured approximately \$2,578,556 in gross new equity (before costs), representing approximately 83% of the \$3,115,636 target announced in June 2025.

Proceeds from the capital raising activities are being applied to advance the Company's dual-asset strategy over the next 9–12 months, including (i) identification and targeted acquisition of a second complementary mining project; and (ii) preserving and growing the longer-term option value of the Ohmgebirge Development and the broader South Harz Potash Project through targeted non-dilutive funding sources and continued engagement with potential strategic investors.

Share Consolidation

Following the closure of the Company's capital raising activities conducted from June to August 2025, on 20 August 2025 the Board implemented its previously announced 1-for-15 share consolidation, which had received shareholder approval at the general meeting held on 15 August 2025.

Creditor Balances

During the financial year, the Company agreed with two creditors of its wholly-owned German subsidiary, Südharz Kali GmbH (**SHK**) new terms for the repayment of invoices totalling \$1,406,704 (€784,772) as at 30 June 2025. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec AG Salt Technologies (**K-Utec**) and ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau GmbH (**Ercosplan**).

The Company and K-Utec signed binding agreements to defer the repayment of invoices owing, totalling €309,861 (\$555,426) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed. Subsequently to this agreement, the parties then agreed in June 2025 that K-Utec would subscribe for 152,327,000 new shares with 76,163,500 Rights Issue Options in the Company as part of Tranche 2 of its share placement announced on 30 June 2025. The amount of A\$456,981 owing by K-Utec on this subscription is to be partially offset against the outstanding balance of €309,861 owed to K-Utec by

the Company, with the residual balance of €49,480 to be paid in cash by the Company upon issue of the shares. Subsequent to the financial year end, on 20 August 2025 these shares were issued to K-Utec and the Company paid the cash payment of €49,480 to K-Utec on 27 August 2025 in full settlement of the debt owing to K-Utec.

The company and Ercosplan agreed non-binding terms during the financial year to defer the repayment of invoices owing, totalling €474,911 (\$851,278) as at 30 June 2025, until 31 December 2026 on the basis that the Company continues to pay interest monthly at a rate of 5% per annum on the balance owed, and the grant by the Company of a first ranking mortgage over its interest in the Ebeleben mining lease in Thuringia, Germany, as security for the amount owed. Subsequent to the financial year end, in July 2025 the parties signed binding agreements to reflect these arrangements.

Note 22. Related party transactions

Remuneration and share base payments

Directors' remuneration including fees and share base payments in the financial year have been disclosed in the remuneration report and separately in the notes to these financial statements.

Directors' interests in Company securities

Directors' interests in securities in the Company in the financial year have been disclosed separately in the remuneration report.

Loans from Director-related entities to the Company

During the current and previous financial year, the Company (as borrower) executed unsecured loan facility agreements with the following Director-related entities (as lenders)

- Mr Leonard Stanley Jubber & Mrs Alexandra Maidment Jubber as Trustees for the Jubber Super Fund, a director-related entity of Len Jubber (Mr Jubber is the trustee and a beneficiary of the Jubber Super Fund).
 - A loan facility agreement was executed on 16 April 2024 which allowed the Company to drawdown funds of up to \$100,000 in aggregate, on which interest of 10% per annum accrues. The repayment date of the facility was initially 30 June 2024, which was extended to 31 August 2024 before the end of the financial year ended 30 June 2024, and then subsequently extended again to 30 November 2024 during the current financial year. The Company issued a drawdown request of \$50,000 on 28 June 2024, which was subsequently funded by the lender in July 2024. No further drawdowns were made by the Company. The loan of \$50,000 owed by the Company to the lender was offset against subscriptions by the Jubber Super Fund for ordinary shares in the share placement capital raising announced by the Company on 1 August 2024, following shareholder approval at the Company's AGM held on 28 November 2024.
 - On 28 March 2025, a new unsecured, interest free loan facility was signed with the Jubber Super Fund. The notional amount for the facility was \$66,000. To the extent any drawdowns were made under the loan facility, the amount owing was to be offset against share placement subscription monies that were due to the Company for the issue of shares to the Jubber Super Fund under the share placement capital raising announced by the Company on 19 February 2025. The loan facility, however, remained undrawn throughout its term and terminated following the eventual issue of the shares to the Jubber Super Fund on 12 May 2025.
- RL Holdings Pty Ltd, a director-related entity of Rory Luff (Mr Luff controls the entity).
 - A loan facility agreement was executed on 17 April 2024 which allowed the Company to drawdown funds of up to \$100,000 in aggregate, on which interest of 10% per annum accrues. The repayment date of the facility was initially 30 June 2024, which was extended to 31 August 2024 before the end of the financial year ended 30 June 2024, and then subsequently extended again to 30 November 2024 during the current financial year. The Company issued a drawdown request of \$50,000 on 28 June 2024, which was subsequently funded by the lender in July 2024. No further drawdowns were made by the Company. The loan of \$50,000 owed by the Company to the lender was offset against

subscriptions by RL Holdings Pty Ltd for ordinary shares in the share placement capital raising announced by the Company on 1 August 2024, following shareholder approval at the Company's AGM held on 28 November 2024.

- On 28 March 2025, a new unsecured, interest free loan facility was signed with RL Holdings Pty Ltd. The notional amount for the facility was \$66,000. To the extent any drawdowns were made under the loan facility, the amount owing was to be offset against share placement subscription monies that were due to the Company for the issue of shares to RL Holdings Pty Ltd under the share placement capital raising announced by the Company on 19 February 2025. The loan facility, however, remained undrawn throughout its term and terminated following the eventual issue of the shares to RL Holdings Pty Ltd on 12 May 2025.

Interest expense totalling \$3,896, calculated at 10% per annum on the drawn funds pursuant to the above agreements was paid to these director-related entities in the financial year.

There were no other related party transactions.

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	June 2025	Consolidated June 2024
	\$	\$
Cash flows from operating activities		
Loss for the financial year	(3,123,920)	(9,151,019)
Share based payment	332,849	752,924
FX (gain) / loss on currency translation	(36,217)	32,373
Amortisation / depreciation	25,968	40,256
Loss on disposal of assets	-	2,941
Decrease / (Increase) in VAT and other receivables	170,137	48,980
Increase in payables	28,490	66,537
Net cash used in operating activities	(2,602,693)	(8,207,008)

Note 24. Earnings per share

	Consolidated 2025	2024
	\$	\$
Loss after income tax attributable to the owners	(3,123,920)	(9,151,019)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	1,001,993,578	748,730,480
Basic earnings per share	(0.31)	(1.22)
Diluted earnings per share	(0.31)	(1.22)

As the Company records a loss after tax, options and performance rights are not considered to calculate the diluted EPS. As at 30 June 2025, there were a total of 106,030,548 options and 48,500,000 performance rights on issue that are not considered to be dilutive.

Capital raising and consolidation of securities subsequent to the financial year end

The Company's capital raising activities resulted in commitments for the issue of new shares and options subsequent to the financial year end. These are set out, on a basis prior to the 1-for-15 consolidation the Company's securities which was implemented on 20 August 2025:

- The June Entitlement Offer resulted in the issue of 188,661,286 new shares and 94,330,692 attaching new options on 31 July 2025 for gross new equity of \$565,984,
- Tranche 2 of the June Placement secured commitments for 430,523,966 new shares and 215,261,983 attaching new options representing \$1,291,571 of gross new equity (including \$620,522 of gross new equity from service providers), and
- The August Shortfall Offer secured commitments for 60,000,000 shares and 30,000,000 attaching new options, representing gross new equity of \$180,000.

Consolidated Entity Disclosure Statement as at 30 June 2025

Basis of Preparation

This Consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295(3B)(a) of the Corporation Acts 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295(3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency in those foreign jurisdictions and ensure compliance with applicable foreign tax legislation.

In accordance with subsection 295(3A) of the Corporations Act 2001, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Name of entity	Type of entity	Place formed or incorporated	Percentage of share capital held (if applicable)	Australian resident	Foreign jurisdiction in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
South Harz Potash Limited	Body corporate	Australia	n/a	Yes	n/a
South Harz Potash (Australia) Pty Ltd	Body corporate	Australia	100%	Yes	n/a
Südharz Kali GmbH	Body corporate	Germany	100%	No	Germany

Directors' declaration

In accordance with a resolution of the Directors of South Harz Potash Limited, the Directors of the Company declare that:

1. the consolidated financial statements and notes, as set out on pages 33 to 59 and the Remuneration report as set out on pages 23 to 31 in the Directors' report, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Consolidated Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
 - b. complying with Australian Accounting Standards and the Corporations Regulations 2001;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
3. in the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the Corporations Act 2001 as set out on page 60 is true and correct;
4. the Directors have been given the declarations required by s295A of the Corporations Act 2001 from the Executive Chair; and
5. The Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Accounting Standards.

Signed in accordance with a resolution of Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Len Jubber
Executive Chair
South Harz Potash Limited
26 September 2025

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of South Harz Potash Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Share Based Payments

Key audit matter	How the matter was addressed in our audit
<p>During the financial year ended 30 June 2025, the Group granted options to key management personnel and other employees.</p> <p>Refer to Note 13 of the financial report for the significant estimates and judgements applied to these arrangements and for disclosure of the arrangements.</p> <p>Share-based payments are a complex accounting area due to the complex and judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2 Share-Based payment, we consider the Group's calculation of the share-based payments expense to be a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing market announcements and board meeting minutes to ensure all share-based payments have been recognised; • Reviewing the relevant supporting documentation to obtain an understanding of the contractual nature, terms and conditions of the share-based payments arrangements; • Evaluating management's method for calculating the fair value of the share-based payments, including assessing valuation inputs, scrutinising judgements related to the likelihood of non-market performance vesting conditions being satisfied, and using internal specialists where appropriate; • Assessing the adequacy of the related disclosures in the financial report.

Carrying value of capitalised exploration & evaluation expenditure

Key audit matter	How the matter was addressed in our audit
<p>The carrying value of capitalised exploration and evaluation assets as at 30 June 2025 is disclosed in Note 9 of the financial report.</p> <p>The Group has adopted the accounting policy to capitalise acquisition costs relating to the acquisition of original exploration and evaluation expenditure and expense any ongoing exploration activities.</p> <p>As the carrying value of exploration and evaluation assets represents a significant asset of the Group,</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at reporting date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and board meeting minutes;

Key audit matter	How the matter was addressed in our audit
<p>we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset should be subject to impairment testing.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. As a result, this is considered a key audit matter.</p>	<ul style="list-style-type: none"> • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/media/bwjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 31 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of South Harz Potash Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized blue ink signature of the BDO firm, consisting of the letters 'BDO' in a cursive, handwritten style.

BDO Audit Pty Ltd

A blue ink handwritten signature of Paul Gosnold, written in a cursive style.

Paul Gosnold
Director

Adelaide, 26 September 2025

Shareholder information

The following additional information was applicable as at 25 September 2025:

Holders of at least 5% of Ordinary Shares Issued	Ordinary Shares Held	% of Ordinary Shares Issued
BNP PARIBAS NOMINEES PTY LTD	13,557,623	10.60%
K-UTEC AG SALT TECHNOLOGIES	9,461,950	7.40%
CITICORP NOMINEES PTY LIMITED	8,350,678	6.53%
RL HOLDINGS PTY LTD	7,368,955	5.76%

Distribution of Shareholders:

Range (shares held)	Holders	Ordinary Shares Held	% of Ordinary Shares Issued
1 - 1,000	778	281,934	0.22%
1,001 - 5,000	478	1,193,171	0.93%
5,001 - 10,000	212	1,532,844	1.20%
10,001 - 100,000	404	13,279,334	10.38%
Over 100,000	136	111,594,778	87.26%
Total	2,008	127,882,061	100.00%

The number of holders with an unmarketable holding: 1,522, totaling 3,623,988 shares, amounting to 2.83% of Issued Capital

20 Largest Fully Paid Ordinary Shareholders

Holder	Securities	% of Ordinary Shares Issued
1 BNP PARIBAS NOMINEES PTY LTD	13,557,623	10.60%
2 K-UTEC AG SALT TECHNOLOGIES	9,461,950	7.40%
3 CITICORP NOMINEES PTY LIMITED	8,350,678	6.53%
4 RL HOLDINGS PTY LTD	7,368,955	5.76%
5 MR LEONARD STANLEY JUBBER & MRS ALEXANDRA MAIDMENT JUBBER	4,305,210	3.37%
6 ITA NOMINEES PTY LTD	3,466,013	2.71%
7 STEFAN KEHR	2,581,862	2.02%
8 FDNJ PTY LTD	2,418,489	1.89%
9 OCEANIC CAPITAL PTY LTD	2,373,333	1.86%
10 PAYZONE PTY LTD	2,233,333	1.75%
11 BNP PARIBAS NOMINEES PTY LTD	2,161,252	1.69%
12 ST GEORGE CUSTODIANS PTY LTD	2,045,192	1.60%
13 ST BARNABAS INVESTMENTS PTY LTD	2,033,333	1.59%
14 SLS NOMINEES PTY LTD	1,751,996	1.37%
15 MR REINOUT KOOPMANS	1,515,188	1.18%
16 MR DAVID IAN RAYMOND HALL & MRS DENISE ALLISON HALL	1,501,111	1.17%
17 LUFGAN NOMINEES PTY LTD	1,382,397	1.08%
18 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,380,642	1.08%
19 RIYA INVESTMENTS PTY LTD	1,300,000	1.02%
20 DIXTRU PTY LIMITED	1,169,383	0.91%
Top 20 Shareholders	72,357,940	56.58%

Voting Rights

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.