

ASX ANNOUNCEMENT

31 July 2025

JUNE 2025 QUARTERLY ACTIVITIES REPORT

South Harz Potash Limited (ASX:SHP) (**South Harz** or the **Company**) reports on its activities for the quarter ended 30 June 2025.

Dual-Asset Strategy

- Dual-asset strategy adopted with target to identify and acquire a new critical minerals asset, leveraging on established presence in Europe and Australia.
- Preservation of long-term value at Ohmgebirge and the broader South Harz Potash Project targeted and alternative funding sources such as government grants and potential strategic asset-level investment being explored.
- Sollstedt mine property acquisition exclusivity period extended to 31 December 2025.

Corporate

- Mr Richard Pearce appointed as Non-Executive Director to the South Harz Board.
- South Harz raising up to A\$3.11 million in gross equity (before costs) to support dual asset-strategy:
 - Two-Tranche Placement secured A\$1.83 million in gross equity commitments (before costs). This included K-Utec, a major technical adviser, converting A\$0.46 million of creditor debt to equity as part of the raising.
 - Rights Issue closed post quarter end raising an additional A\$0.56 million.
 - Shortfall Offer now open for A\$0.72 million unsubscribed entitlements from Rights Issue.
- Strong support from existing stakeholders, including committed participation from South Harz directors totalling approximately A\$0.40 million in new proceeds.
- Planned consolidation of issued share capital on a one (1) for fifteen (15) basis.
- Received first stage certification of German R&D tax rebate application, with South Harz's potential cash refund ranging between approximately A\$400,000 to A\$500,000.

South Harz Executive Chairman Mr Len Jubber, commented:

"Our successful capital raise has strengthened South Harz's balance sheet, and we are excited to now be in a position to execute on the Company's dual-asset strategy, targeting new critical minerals opportunities in parallel with preservation and growth in the longer-term option value of Ohmgebirge and the broader South Harz Potash Project.

"In addition, K-Utec's support with its creditor-offset subscription to the raise is a strong vote of confidence in the South Harz Potash Project and our long-term strategy.

"Finally, I am delighted to welcome Richard Pearce to the South Harz team. Richard joins us at a key juncture and will significantly strengthen our capability to gain exposure to other critical minerals opportunities, in parallel with preserving and maximising the value of our outstanding potash assets. I look forward to drawing on his skills and experience to assist in executing our strategy to build shareholder value in our rapidly changing world."

Dual-Asset Strategy

South Harz 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.

South Harz is set to advance its dual-asset strategy 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.

Ohmgebirge and the broader South Harz Potash Project

The Company is of the view that an approach of “strategic patience” is necessary in relation to its potash assets, whilst a depressed potash price remains a significant factor in the relatively low implied value that the ASX market environment is currently attributing to its South Harz Potash Project. This approach includes targeting minimal holding costs for the South Harz Potash Project, which enjoys the benefits of perpetual tenure.

In line with the above, the focus of South Harz's corporate and operational activities pertaining to Ohmgebirge during the quarter was highly targeted.

German R&D Tax Incentive Rebates

South Harz submitted its applications for German R&D tax incentive rebates (known in Germany as “research grants from the tax authority”) on 17 April 2025. These applications encompass select technical work conducted over the past four years and are restricted to actual expenditure in the European Union.

During the quarter, the Company received certification from the BSFZ which has verified that its applications for tax-deductible research funding constitute “research and development” within the meaning of the Research Allowance Act in Germany.

With this certification, South Harz has now progressed to the second stage of the R&D tax rebate process involving the submission of an application to the relevant tax office to receive the R&D rebate as part of its tax return process. The tax office will then conduct a review and scrutinise the relevant expenditure incurred by the Company, which has been certified by BSFZ.

The second stage determination is expected to be completed during Q4 CY2025, with South Harz's potential cash refund ranging between approximately A\$400,000 to A\$500,000.

Other Funding Initiatives

Shortly after the Quarter end, South Harz was informed by ERMA that the Company's application was unsuccessful as potash is not considered a European Union (EU) critical raw material. South Harz will continue to advocate for potash to be included in the list of critical raw materials as well as seek opportunities to gain support from other EU funding agencies to advance the South Harz Potash Project.

Potential Acquisition of Sollstedt

Activities pertaining to the future purchase of the neighbouring Sollstedt mine property from Deusa International GmbH (**Deusa**) are advancing, with the exclusivity date agreed with Deusa for the conduct of these negotiations and execution of binding documents now having been extended to 31 December 2025.

Stakeholder Relations

South Harz has continued regular stakeholder communication on the local and regional level in Thuringia, as well as on the Federal German level and at the EU by attending the EIT Raw Materials Summit in Brussels in May.

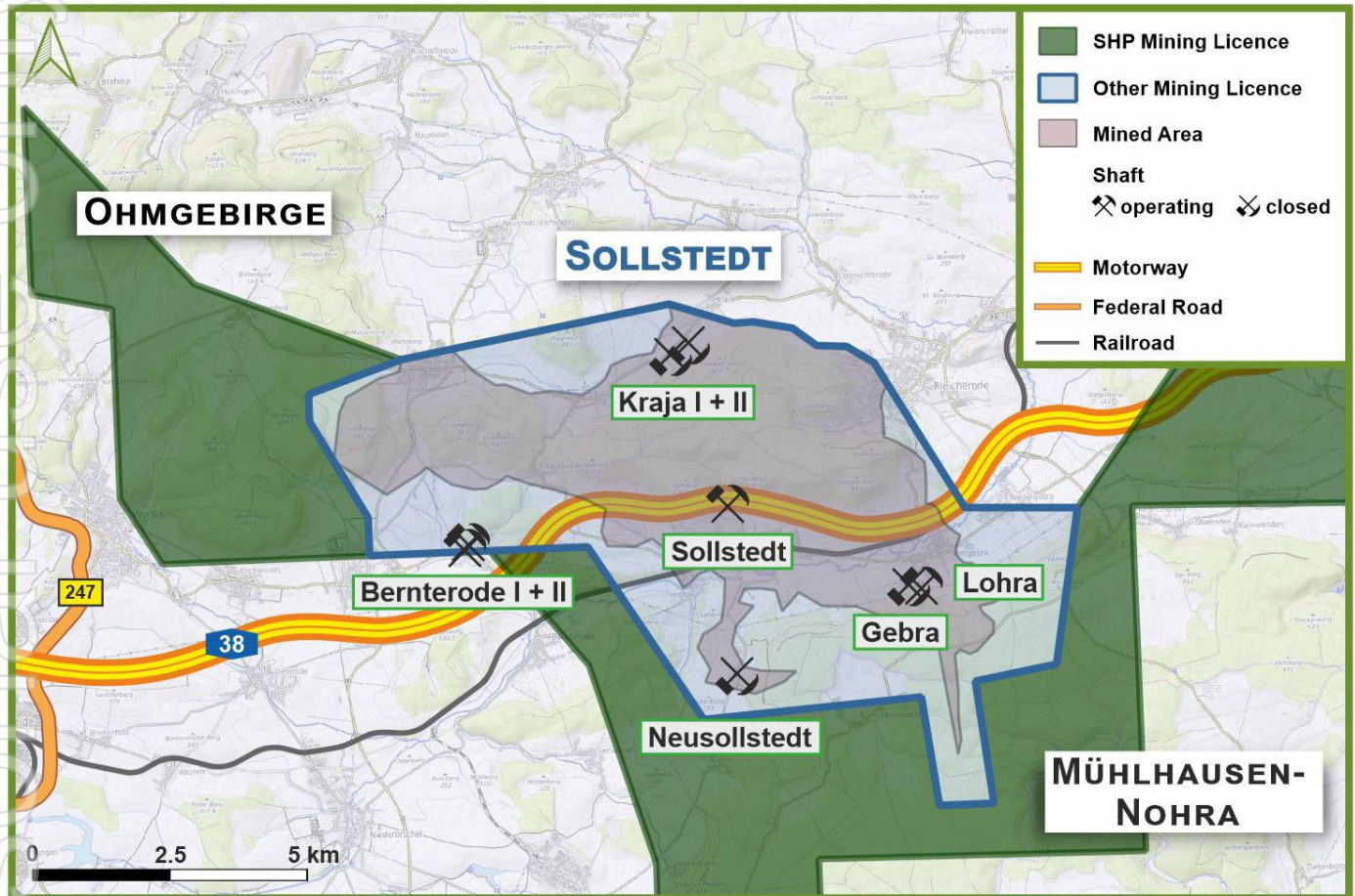


Figure 1: Plan view of South Harz’s Ohmgebirge and Muhlhausen-Nohra licences plus the contiguous Sollstedt property inclusive of substantial existing shaft infrastructure and existing backfill areas.

Corporate

Appointment of Non-Executive Director

During the quarter, Mr Richard Pearce was appointed to the South Harz Board as a Non-Executive Director effective from 20 June 2025.

Mr Pearce has over 30+ years’ experience in the mineral industry across critical, industrial and energy minerals. His participation spans the full asset life cycle and value chains (exploration, development and commercialisation), and includes key roles held across board directorships, exploration and operations management, mining finance, M&A, business strategy and operational improvement.

He has a proven business development track record and has guided resource companies from IPO and early capital raising stages through to eventual successful commercialisation and/or combination. He has held senior roles at Rio Tinto Limited as well as led various junior ASX-listed companies, including most recently as Non-Executive Chairman of 92 Energy Limited (up to its successful three-way merger in 2024). Richard is currently on the board of Atha Energy Corporation (TSX: SASK) and IS Group (unlisted).

With his appointment, Mr Pearce was issued five million incentive options. These options are exercisable at a strike price of A\$0.006, expire four years from issue date, and will only vest upon the reaching of 18 months

service with South Harz by Mr Pearce. These incentive options were issued pursuant to Exception 12 of Listing Rule 10.12.

Results of Meeting

South Harz held a general meeting on 23 April 2025 where all resolutions put to shareholders were passed on a poll by the requisite majority.

Equity Placement

During the quarter, South Harz successfully undertook a two-tranche placement receiving binding commitments for A\$1.83 million in new equity (before costs) (**Placement**).

The Placement will result in the issue of approximately 610.8 million new fully paid ordinary shares at an issue price of A\$0.003 per share, comprised as follows:

- **Tranche 1:** Approximately 180.3 million new shares were issued at A\$0.003 per share to raise A\$541,000. These shares were issued under the Company's capacity under ASX Listing Rule 7.1 (A\$226,684 for 75,561,336 shares) and ASX Listing Rule 7.1A (A\$314,316 for 104,772,000 shares).
- **Tranche 2:** The pending issue of approximately 430.5 million new shares at A\$0.003 per share representing approximately A\$1.29 million of new equity is subject to shareholder approval being received at the Company's General Meeting scheduled for Friday 15 August 2025. Tranche 2 includes approximately A\$620,000 worth of shares to be issued to service providers in lieu of cash payment for performance of services (including to K Utec, as outlined in more detail below).

Approximately 305.4 million attaching options are also to be issued to Placement participants, subject to shareholder approval at the Company's next General Meeting (**Placement Options**). The terms of these options are 1 free unlisted option for every 2 new shares applied for under the Placement at an exercise price of A\$0.006 per share with a 2-year expiry from the date of issue.

K-Utec AG Salt Technologies (**K-Utec**), a creditor to South Harz, has subscribed for 152,327,000 new shares in the Company (with 76,163,500 Placement Options) as part of Tranche 2 of the Placement. The amount of A\$456,981 owing on this subscription is to be partially offset against the outstanding balance of €309,861 (or approximately A\$544,000) owed to K-Utec by the Company.

South Harz's directors have provided firm commitments to participate in Tranche 2 of the Placement for a total of 98,000,000 new shares (with 49,000,000 Placement Options), representing new equity of A\$294,000.

Rights Issue

In addition to the Placement, on 30 June 2025 South Harz launched a 1-for-3 pro-rata non-renounceable rights issue to eligible shareholders to raise up to a further A\$1.28 million at the same issue price as the Placement (**Rights Issue**). As with the Placement, the Company will issue 1 free unlisted attaching option for every 2 new Shares applied for under the Rights Issue at an exercise price of A\$0.006 per share with a 2-year expiry from the date of issue (**Rights Issue Options**).

The Rights Issue closed on 25 July 2025 with subscriptions of totalling approximately A\$0.56 million for 188 million new shares with 94 million Rights Issue Options received. This included subscriptions from directors for a total of 35.8 million new shares with 17.9 million Rights Issue Options, representing new equity of A\$107,363. This comprises 10.5 million new shares with 5.25 million Rights Issue Options to Len Jubber, 22.62 million new shares with 11.31 million Rights Issue Options to Rory Luff, and 2.67 million new shares with 1.33 million Rights Issue Options to Reinout Koopmans (or their respective director-related entities).

The residual share entitlements not applied for under the Rights Issue, being approximately A\$0.72 million or 239 million shares with 119.5 million Rights Issue Options are being offered pursuant to a separate offer which

remains open for up to three months following the closure of the Rights Issue (**Shortfall Offer**). The Shortfall Offer is on the same terms as the Rights Issue.

Share Consolidation

South Harz plans to consolidate its issued share capital on a one (1) for fifteen (15) basis, subject to shareholder approval being received at the Company's General Meeting scheduled for Friday 15 August 2025.

Director Loans

During the quarter, the two unsecured, interest free loan facilities that had been provided, in the March 2025 quarter, by related party entities of South Harz Directors, Len Jubber and Rory Luff, were terminated in accordance with their terms following the issue of placement shares to the directors approved at the general meeting of shareholders in April 2025. The loan facilities remained undrawn by the Company throughout their term.

Creditor Balances

As reported in the March 2025 quarterly report, following the end of the December 2024 quarter, the Company agreed with two creditors of its wholly-owned German subsidiary, Sud Harz Kali GmbH (**SHK**) to defer invoice payments totalling €784,772 (A\$1,313,141) as at 31 December 2024. The outstanding invoices relate to engineering services provided to SHK for the Ohmgebirge Pre-Feasibility Study by K-Utec and Ercosplan which was announced on the ASX on 22 May 2024 (refer ASX announcement dated 22 May 2024, *Sollstedt Mine Purchase, Ohmgebirge PFS & Maiden Ore Reserve*). The balances payable were reflected as current liabilities in the Company's Statement of Financial Position as at 31 December 2024.

Further to its March 2025 quarter report, the Company can now report as follows:

- i. K-Utec AG Salt Technologies ("**K-Utec**") and the Company agreed during the quarter 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 Placement announced in June 2025 (refer ASX announcement dated 19 June 2025, *Equity Raising of up to A\$3.11 Million to Advance South Harz Dual-Asset Strategy*). The amount of A\$456,981 owing on this subscription is to be partially offset against the outstanding balance of €309,861 (or approximately A\$544,000) owed to K-Utec by the Company, with the residual balance to be paid in cash by the Company upon issue of the shares, following approval by shareholders of Tranche 2 at the general meeting scheduled for 15 August 2025. The Company will continue paying interest monthly at a rate of 5% per annum on the outstanding amount and will continue to do so until the new shares and attaching options have been issued and the residual balance is settled in cash.
- ii. Following the June 2025 quarter end, the Company has now executed a binding agreement with Ercosplan to defer the payment of invoices owing, totalling EUR €474,911 (A\$794,658), until 31 December 2026 on terms previously announced (refer ASX announcement dated 30 April 2025), including 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. The Company is paying interest monthly at a rate of 5% per annum on this amount owed and will continue to do so until the debt has been repaid.

Cash

South Harz's cash balance at 30 June 2025 was A\$0.547 million (A\$0.124 million at 31 March 2025).

Further significant cash inflows are expected in the September 2025 quarter (Entitlement Issue completion and Tranche 2 Placement completion, subject to shareholder approval).

ASX additional information

South Harz provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spend during the quarter was nil.
2. ASX Listing Rule 5.3.2: No mining production or development.
3. ASX Listing Rule 5.3.5: Payments to related parties during the quarter totalled A\$63,000 for Directors' fees. To assist the Company in conserving its cash in the short term, the timing of payment of a portion of director salaries and fees owing to Len Jubber, Reinout Koopmans and Rory Luff for the quarter, was deferred until early July 2025, and as of the date of this report have now been paid in full.

Summary of tenement holdings as at 30 June 2025

Tenement Name	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	Thüringen, Germany	Mining	Perpetual	100%
Ohmgebirge	Thüringen, Germany	Mining	Perpetual	100%

This ASX release has been approved by the Board of Directors.

Investor and media enquiries

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END NOTES

The information contained in this Quarterly Activities Report is extracted from, or was set out in, the following ASX announcements:

- *The report released 31 July 2025, "Completion of Entitlement Offer"*
- *The report released 16 July 2025, "Notice of General Meeting/Proxy Form"*
- *The report released 8 July 2025, "Corporate Update"*
- *The report released 8 July 2025, "Update – Proposed Issue of Securities – SHP"*
- *The report released 19 June 2025, "Equity Raising of up to A\$3.11 Million to Advance South Harz Dual-Asset Strategy"*
- *The report released 23 April 2025, "Results of General Meeting"*

Appendix 5B

Mining exploration entity or oil and gas exploration entity
quarterly cash flow report

Name of entity

South Harz Potash Limited (“SHP”)

ABN

64 153 414 852

Quarter ended (“current quarter”)

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation		
(b) project, PFS & permitting	(17)	(493)
(c) production	-	-
(d) site admin & site staff costs	(130)	(675)
(e) corporate costs	(141)	(1,352)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(17)	(87)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(305)	(2,605)

2. Cash flows from investing activities

2.1 Payments to acquire or for:

- (a) entities
- (b) tenements
- (c) property, plant and equipment
- (d) exploration & evaluation
- (e) investments

Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
(f) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	743	2,978
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(16)	(183)
3.5 Proceeds from borrowings		100
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	727	2,895

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	124	254
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(305)	(2,605)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	727	2,895
4.5	Effect of movement in exchange rates on cash held	1	3
4.6	Cash and cash equivalents at end of period	547	547

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	547	124
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	547	124

6.	Payments to related parties of the entity and their associates	Current quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	0	0
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	0	0
7.5	Unused financing facilities available at quarter end		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Director Loans

During the quarter, the two unsecured, interest free loan facilities that had been provided, in the March 2025 quarter, by related party entities of South Harz Directors, Len Jubber and Rory Luff, were terminated in accordance with their terms following the issue of placement shares to the directors approved at the general meeting of shareholders in April 2025. The loan facilities remained undrawn by the Company throughout their term.

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Further to its March 2025 quarter report, the Company can now report as follows:

- iii. K-Utec AG Salt Technologies (K-Utec) and the Company agreed during the quarter that K-Utec would subscribe for 152,327,000 new shares and 76,163,500 free attaching options in the Company as part of Tranche 2 of its Placement announced in June 2025 (refer ASX announcement dated 19 June 2025, *Equity Raising of up to A\$3.11 Million to Advance South Harz Dual-Asset Strategy*). The amount of A\$456,981 owing on this subscription is to be partially offset against the outstanding balance of €309,861 (or approximately A\$544,000) owed to K-Utec by the Company, with the residual balance to be paid in cash by the Company upon issue of the shares, following approval by the shareholders of Tranche 2 at its general meeting scheduled for 15 August 2025. The Company will continue paying interest monthly at a rate of 5% per annum on the outstanding amount and will continue to do so until the new shares and attaching options have been issued and the residual balance is settled in cash.
- iv. Following the June 2025 quarter end, the Company has now executed binding terms with Ercosplan to defer the payment of invoices owing, totalling EUR €474,911 (A\$794,658), until 31 December 2026 on terms previously announced, including 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. The Company is paying interest monthly at a rate of 5% per annum on this amount owed and will continue to do so until the debt has been repaid.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(305)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(305)
8.4 Cash and cash equivalents at quarter end (item 4.6)	547
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	547
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.79
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No. As previously announced Company is moving to a lower cost structure as a result of initiatives to further reduce its corporate, general and administrative costs.</p> <p>The Company expects that the next quarter will see the payment of Ohmgebirge residual costs and creditors which are higher than the current quarter due to the timing of payments, including for technical and business running costs including project internal value engineering and submissions for supplementary funding sources (as referred to in ASX announcement <i>Entitlement Issue Prospectus</i> dated 30 June 2025).</p> <p>However, looking forward to the FY26 financial year as a whole, Ohmgebirge project related payments will reduce substantially in comparison to FY25, with discretionary project spend dependent upon receipt of funding received from the various funding initiatives being undertaken.</p>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: Yes. The Company is currently undertaking capital raising activities where it has announced that it has received gross equity commitments of A\$2.40m (of which A\$1.78m is cash) from a total targeted gross equity of A\$3.11m (of which A\$2.49m is cash).</p> <p>In addition, the Company has also announced the potential receipt of funds of around A\$400-500k in the December 2025 quarter as a result of the first stage approval of the Company's recent application for German R&D tax rebates.</p>	

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8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company believes, as shown by its current fund raising activities as set out above that has the ability to raise funds needed to meet its business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2025

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)