

ASX ANNOUNCEMENT

21 October 2025

SEPTEMBER 2025 QUARTERLY ACTIVITIES REPORT

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

Transition to Dual-Asset Strategy Progresses

- The Board is implementing a programme of transition to the new dual-asset strategy, while preserving value and growth optionality for the South Harz Potash Project
- South Harz is progressing the identification of a new asset as part of the Company's dual-asset strategy, with a number of opportunities currently under active review

Corporate

- Fundraising initiatives have been completed creating platform to pursue dual-asset strategy
 - Completion of pro-rata non-renounceable Entitlement Offer (one share for every three shares) raising A\$565,984 through the issue of 188,661,286 new shares and 94,330,692 options
 - Entitlement Offer was well supported by South Harz Directors, who took up significant entitlements
 - Commitments of A\$180,000 received post closure of Entitlement Offer, including: A\$110,000 in shortfall shares and A\$70,000 in a placement to two directors (subject to approval at AGM)
 - General meeting held during August 2025, with all resolutions passed, including approval of placement of securities announced on 19 June 2025 and 1-for-15 share consolidation (effective 20 August 2025)
 - German R&D tax rebate application lodged with annual tax return in Germany.
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South Harz Executive Chairman Mr Len Jubber, commented:

"With our recent capital raising initiatives completed, South Harz is now focused on advancing its dual-asset strategy and securing a second project to complement our South Harz Potash Project. During the September quarter, we made strong progress in reviewing new asset opportunities, with initial focus on projects located in Europe and the UK. This process will accelerate throughout the December quarter as we work to narrow down the most suitable additions to our portfolio."

"In Germany, we remain committed to preserving and enhancing the long-term value of the South Harz Project. Despite the current weakness in the potash market, we are confident in the project's future potential as conditions improve. We continue to pursue funding opportunities to support our operations in Germany, while maintaining and strengthening the relationships we have established with local stakeholders and the broader community."

Dual-Asset Strategy

The South Harz Board is pursuing a dual-asset strategy through a targeted and aligned second asset acquisition and advancement, leveraging on its existing corporate foundation and established presence in Europe and Australia, with a disciplined focus from a proven (existing and new) team with suitable capability.

During the quarter, South Harz advanced this process, with a number of new asset opportunities currently under review, including site visits.

Simultaneously, the Company believes that “strategic patience” is required in relation to its potash assets, as the current depressed potash price remains a key factor in the relatively low valuation that the ASX market is attributing to its South Harz Potash Project. This approach includes targeting minimal holding costs for the South Harz Potash Project, which benefits from perpetual tenure. South Harz is well placed to advance the Ohmgebirge Development following the completion of the PFS, first level of permitting (Spatial Planning Assessment) and Base Line Environmental Study in 2024.

South Harz’s dual-asset strategy over the next 9-12 months comprises:

- i. Identification and targeted acquisition of a second mining project complementary to the Company’s South Harz Potash Project.
- 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 and European government grants/rebates and ongoing engagement with financial and industry parties on potential strategic asset-level investment.

South Harz Potash Project

During the quarter, South Harz’s corporate and operational activities focused on aligning its in-country presence and organisational capability in Germany with its “strategic patience” approach in regard to its potash assets.

The substantially reduced level of activities in Germany has resulted in South Harz no longer currently requiring an in-country executive presence. As such, Regional Director Dr Babette Winter will be leaving South Harz at the end of October 2025. The Board wishes to thank Babette for her significant contribution to the Company, including the many relationships she established with key German stakeholders, which the Company will continue to maintain and wishes her well in future endeavours.

To that end, the offices in Erfurt and Holungen were consolidated into one office located in Bernterode. The office in Bernterode is located in close proximity to the proposed location of the Ohmgebirge processing plant and immediately adjacent to the Bernterode shaft located in the Sollstedt mining licence.

South Harz continues to pursue a range of potential non-dilutive funding sources to advance the South Harz Project, including its German R&D tax rebate application, and ongoing engagement with financial and industry parties on potential strategic asset-level investment. The Company has proceeded to the second stage of the R&D tax rebate process. The second stage determination is expected to be completed during the December 2025 quarter, with South Harz’s potential cash refund ranging between A\$400,000 and A\$650,000.

During the quarter, the Company advised that it had been informed by the European Raw Materials Alliance (**ERMA**) that the Company’s application has been unsuccessful as potash is not currently 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.



Location of South Harz's new office in Bernterode next to Shaft 1 in the Sollstedt licence area

Potash added to United States Critical Minerals List

The United States became the latest country to recognise potash as a critical mineral, with its inclusion in the draft 2025 US Critical Minerals List released by the US Geological Survey (**USGS**) in August 2025¹. The addition of potash followed modelling of supply-chain vulnerabilities, which showed that the USA imports more than 90% of its potash, primarily from Canada.

According to USGS, the USA is now prioritising agricultural supply chains with the same strategic weight as energy transition and defence minerals due to increasing geopolitical and trade risks in the fertiliser market.

Canada, the world's largest producer and exporter of potash, has previously recognised potash as a critical mineral, with it retained in its 2024 list.

The inclusion of potash as a critical mineral by both North American nations is an important international development as the importance of food security increases globally.

¹ <https://www.doi.gov/pressreleases/departement-interior-releases-draft-2025-list-critical-minerals>

Corporate

Completion of Two-Tranche Placement

The issue of the remaining shares and options requiring approval pursuant to the two-tranche placement (**Placement**) announced on 19 June 2025 (refer ASX release dated 19 June 2025, *Equity Raising of up to A\$3.11 million to Advance South Harz Dual-Asset Strategy*) was approved at the General Meeting held on 15 August 2025, enabling the completion of Placement, and issue of 413,173,966 shares and 311,753,654 options (on a “pre-consolidation” basis).

Completion of Entitlement Offer

During the quarter, South Harz Potash announced the results of its Entitlement Offer of one share for every three shares held by eligible shareholders, at an issue price of A\$0.003 per share, plus attaching options on a 1 for 2 basis, with an exercise price of A\$0.006 per share (pricing on a “pre-consolidation” basis) and an expiry date of two years from the date of their issue, to raise up to A\$1.28 million (before costs), as set out in the Prospectus dated 30 June 2025.

The Entitlement Offer closed on 25 July 2025. Of the 427,688,078 shares offered under the Entitlement Offer, 188,661,286 new shares (representing new equity of A\$565,984) were applied for by eligible shareholders, including those subscribing for shares in excess of their entitlements. This represented approximately 44% of all shares offered under the Entitlement Offer, leaving a shortfall of A\$717,080 for 239,026,792 shares (**Shortfall Shares**).

The Entitlement Offer was also strongly supported by South Harz Directors who took up entitlements as follows:

- A\$67,856 (22,618,728 shares and 11,309,364 options) of entitlements subscribed for by Rory Luff (Non-Executive Director) through his related entities;
- A\$8,000 (2,666,670 shares and 1,333,335 options) of entitlements subscribed for by Reinout Koopmans (Non-Executive Director); and
- A\$31,507 (10,502,384 shares and 5,251,193 options) of entitlements subscribed for by Len Jubber (Executive Chairman) through his related entity.

Closure of Shortfall Placement

On 18 August 2025, South Harz advised that it had closed its Shortfall Shares placement offer arising from its Entitlement Offer. The Company received commitments of A\$180,000 in gross new equity for 60,000,000 new shares to a combination of new and existing investors and Directors, completing the Company’s recently announced capital raising programme. The commitments include the following:

- Commitments of A\$110,000 in gross new equity for 36,666,668 Shortfall Shares and 18,333,335 options.
- Commitments by Directors to take up A\$70,000 worth of Director Shares (subject to approval at the Company’s forthcoming Annual General Meeting) as follows:
 - New Director Richard Pearce committed to A\$20,000 of new equity representing 6,666,667 shares and 3,333,334 options, and
 - Executive Chairman Len Jubber committed to A\$50,000 of new equity representing 16,666,665 shares and 8,333,331 options).

Committed funds from the recent two-tranche placement (refer ASX release dated 19 June 2025, *Equity Raising of up to A\$3.11 million to Advance South Harz Dual-Asset Strategy*), the completed Entitlement Offer and the Shortfall Shares and Director Shares totalled approximately A\$2.58 million in new equity (before costs), approximately 83% of the previously announced A\$3.11 million new equity target from these capital raising activities.

General Meeting

The Company held a General Meeting of shareholders on 15 August 2025, at which all resolutions were passed.

Share Consolidation

Following gaining shareholder approval at the 15 August 2025 General Meeting, South Harz implemented a consolidation of its issued share capital on a 1 for 15 basis on 20 August 2025.

The number of securities on issue following the implementation of the consolidation were as follows:

Ordinary Shares	127,882,061
Share Options	32,521,922
Performance Share Rights	3,233,334

Cash

South Harz's cash balance at 30 September 2025 was A\$0.989 million (A\$0.547 million at 30 June 2025). The Company has proceeded to the second stage of its German R&D tax rebate process. The second stage determination is expected to be completed during the December 2025 quarter, with South Harz's potential cash refund ranging between approximately A\$400,000 to A\$650,000.

South Harz continues to focus on streamlining its corporate, general and administrative overheads expenditure. As previously stated, the current quarter has included the payment of Ohmgebirge residual costs and outstanding creditors, which were higher than anticipated for future quarters, owing to the timing of payments.

Looking ahead to the remainder of FY26, the Company expects that Ohmgebirge Project related payments will reduce substantially in comparison to FY25, with discretionary project spend dependent upon receipt of funding from the various initiatives currently being undertaken.

New Registered office in Germany

As stated above, the Company has consolidated its offices in Germany and the address of the new registered office of our subsidiary SüdharzKali GmbH is as follows:

Am Förderturm 3
37339 Breitenworbis
OT Bernterode/Schacht
Germany

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\$163,000 for Directors' fees. To assist the Company in conserving its cash in the June 2025 quarter, the timing of payment of a portion of director salaries and fees owing to Len Jubber, Reinout Koopmans and Rory Luff for the June 2025 quarter, was deferred until payment in full in the September 2025 quarter.

Summary of tenement holdings as at 30 September 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

Len Jubber

Executive Chairman

South Harz Potash Ltd

ljubber@southharzpotash.com

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 18 August 2025, "Closure of Shortfall Placement"*
- *The report released 12 August 2025, "Consolidation/Split – SHP"*
- *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 30 June 2025, "Entitlement Issue Prospectus"*
- *The report released 19 June 2025, "Equity Raising of up to A\$3.11 Million to Advance South Harz Dual-Asset Strategy"*

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 September 2025

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(3 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	(230)	(230)
	(c) production	-	-
	(d) site admin & site staff costs	(149)	(149)
	(e) corporate costs	(322)	(322)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(15)	(15)
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	(715)	(715)

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(3 months) \$A'000
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		
	(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)	1,285	1,285
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(125)	(125)
3.5	Proceeds from borrowings		
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	1,160	1,160

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	547	547
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(715)	(715)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,160	1,160
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	989	989

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	989	547
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)	989	547

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	163
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		
Creditor Balances Trade payables balances were 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 has paid interest to these creditors at 5% per annum on the amount owed on a monthly basis, which will continue until the debts have been repaid. On 20 August 2025, pursuant to an agreement reached in the June 2025 quarter, the Company issued K-Utec with 152,327,000 new shares and 76,163,500 attaching 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 (representing €260,381 owed) was partially offset against the outstanding balance of €309,861 owed to K-Utec by the Company upon the issue of shares, with the residual balance of €49,480 paid in cash by the Company to K-Utec on 27 August 2025 in full settlement of the debt owing to K-Utec. The company and Ercosplan had agreed non-binding terms during the financial year ended 30 June 2025 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. In July 2025 the parties signed binding agreements to reflect these arrangements.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(715)
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)	(715)
8.4	Cash and cash equivalents at quarter end (item 4.6)	989
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	989
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.38
<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>		
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?	
Answer: No. As previously announced Company has moved to a lower cost structure as a result of initiatives to further reduce its corporate, general and administrative costs. As previously advised, the current quarter has seen the payment of Ohmgebirge residual costs and creditors which are higher than expected in future quarters 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). 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.		

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?

Answer: Yes. As previously advised, the Company undertook capital raising activities over the period from June to August 2025 where it has announced that it received gross equity commitments of \$2.58m (of which \$1.96m is cash) from a total targeted gross equity of \$3.11m (of which \$2.49m is cash).

In addition, as previously announced the Company is expecting the receipt of funds of around \$400-650k in the December 2025 quarter following the first stage approval of the Company's recent application for German R&D tax rebates.

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 it has the ability to raise the 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: 21 October 2025

Authorised by: The Board of Directors

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