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Prospectus
and Pre-Listing Statement

Southern Palladium Limited
ACN 646 391 899

Prospectus for the issue of between 34 million New Shares and 38 million New Shares at an issue price of $0.50 per Share to raise a minimum of $17 million and maximum of $19 million.

This document is not for release or distribution in the United States.

IMPORTANT NOTICE
This document is important. You should carefully read this Prospectus in full and consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser if you are in any doubt as to what to do.

All financial amounts in this document are in Australian dollars (A$) unless otherwise stated.

Lead Manager

BRIDGE STREET
CAPITAL PARTNERS

JSE Sponsor

Australian Legal Adviser

THOMSON GEER
LAWYERS

South African Legal Adviser

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Important Information

About this Prospectus
This Prospectus relates to the initial public offer of between 34 million New Shares and 38 million New Shares by Southern Palladium Limited ACN 646 391 899 (**Company**) in Australia at an issue price of $0.50 per Share to raise a minimum of $17 million and maximum of $19 million (**Offer**).

This Prospectus is an important document. You should read it carefully. It is important that you consider the risk factors (see Section 7) before deciding on your course of action as these could affect the financial performance of the Company and its subsidiaries (together, **Southern Palladium**).

Lodgement
This Prospectus is dated 22 April 2022 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

Application for listing
Within 7 days after the date of this Prospectus, the Company will lodge an application with the Australian Securities Exchange (**ASX**) for admission of the Company to the official list of the ASX and quotation of all Shares (including New Shares issued pursuant to this Prospectus) on the ASX.

The Company has applied to the securities exchange operated by the JSE Limited (**JSE**) for admission to trading of its Shares in the Platinum and Precious Metals sector of the Main Board of the JSE as a secondary (or inward) listing, with the short name South Pd. Listing on the JSE is conditional on the Company satisfying the requirements of the JSE for such listing, including that the ASX has granted a primary listing of the Shares on the ASX.

None of ASX, ASIC or any of their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The fact that the ASX or the JSE may admit the Company to its official list is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

This Prospectus comprises a combined prospectus and pre listing statement relating to the Company. This Prospectus has been prepared in accordance with the Corporations Act, the ASX Listing Rules and the Listings Requirements of the securities exchange operated by the JSE. This Prospectus does not, nor does it intend to, constitute a "registered prospectus", as contemplated by the South African Companies Act, 2008 (as amended) (**South African Companies Act**). As a result, this Prospectus does not comply with the substance and form requirements for prospectuses set out in the South African Companies Act and the South African Companies Regulations of 2011 and has not been approved by, and/or registered with, the South African Companies and Intellectual Property Commission, or any other South African authority. Whilst the JSE has confirmed that the disclosures in this Prospectus and Pre-listing Statement satisfy the JSE Listings Requirements, the approval of the JSE listing will be subject to the primary exchange, being the ASX, formally approving the Listing and the Financial Surveillance Department of the South African Reserve Bank (**FinSurv**) approving the secondary inward listing of the Company's Shares on the Main Board of the JSE.

In accordance with the JSE Listings Requirements, the Directors, whose names are given in Section 8.1 of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information given, and certify that to the best of their knowledge and belief the information contained in this Prospectus is true and that nothing has been omitted which is likely to affect the import of the information contained herein or make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Prospectus contains all information required by law and the JSE Listings Requirements.

Expiry date
No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Shares offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Exposure Period
The Corporations Act prohibits the Company from processing the Applications received until after the Exposure Period. The Exposure Period is the 7 day period from the date of this Prospectus and may be extended by ASIC by up to a further 7 days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants. That examination may result in the identification of deficiencies in this Prospectus, in which case any Application received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Foreign jurisdictions – restrictions on distribution
The Offer is being made in Australia. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Offer is not being extended to any investor outside Australia, other than to certain institutional and sophisticated investors in certain jurisdictions as described in Section 9.19.

Without limiting the above, the Offer and this Prospectus do not constitute an offer for the sale of, or subscription for, or the solicitation of an offer to buy and to subscribe for, New Shares to the public, as defined in the South African Companies Act and will not be made or distributed, as applicable, to any person in South Africa in any manner which could be construed as an offer to the public in terms of the South African Companies Act.

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia.

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The Shares may only be resold or transferred in the United States of America, or to, or for the account or benefit of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no current intention to register any of the Shares in the United States of America.

Representations
No person is authorised to give any information or make any representations in connection with the Offer other than as contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus is not, and may not be relied on as having been, authorised by the Company (or any of its officers).

This Prospectus does not provide financial product or investment advice – you should seek your own professional investment advice
The information provided in this Prospectus is not investment advice or financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read this Prospectus in full before deciding whether to invest in the New Shares and consider all of the risks that could affect the performance of the New Shares or the Company. Risks identified in relation to investing in the New Shares that you should consider include those described in Section 7. You should carefully consider these risks and your investment objectives, financial situation or particular needs (including financial and taxation issues) and seek independent professional advice from your stockbroker, accountant, solicitor, or other professional adviser before deciding whether to invest in the New Shares.

The potential tax effects of the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

Forward looking statements
This Prospectus contains certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Southern Palladium, the outcome and effects of the Offer and the use of proceeds. To the extent that certain statements contained in this Prospectus may constitute “forward-looking statements” or statements about “future matters”, the information reflects Southern Palladium's intent, belief or expectations as at the date of this Prospectus. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Southern Palladium's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Prospectus in light of those disclosures and not place reliance on such statements. Any forward looking statements, opinions and estimates in this Prospectus are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Neither Southern Palladium, the Lead Manager nor their respective related bodies corporate or affiliates nor their respective directors, officers, partners, employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this Prospectus will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance.

Except as required by law or regulation (including the Listing Rules), Southern Palladium undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Past performance
Investors should note that past performance, including the past share price performance of the Company and pro forma historical information in this Prospectus is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future performance, including future share price performance. The pro forma historical information is not represented as being indicative of Southern Palladium's views on its future financial condition and/or performance.

Financial information

Section 5 sets out in detail the Statutory Historical and Pro Forma Historical Financial Information (together the **Financial Information**) referred to in this Prospectus and the basis of preparation of that Financial Information. All financial amounts contained in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums of components in tables, figures and components contained in this Prospectus are due to rounding.

Section 6 sets out the Independent Limited Assurance Report on the Financial Information provided by BDO Corporate Finance (WA) Pty Ltd in its capacity as the Investigating Accountant, and the South African JSE Accredited Independent Reporting Accountant's assurance report on the pro forma financial information of the Company provided by BDO South Africa Incorporated.

The scope of the Investigating Accountant and the South African JSE Accredited Independent Reporting Accountant as instructed by the Directors does not include a review of forecast financial information, forward-looking statements or any other matters that may be contained elsewhere in the Prospectus. Investors are urged to read the Independent Limited Assurance Report and the South African JSE Accredited Independent Reporting Accountant's assurance report on the pro forma financial information of the Company in full for details of the scope and other matters relevant to the review of the Financial Information in conjunction with the information set forth in Section 6.

Disclaimer
This Prospectus contains general information only, and does not take into account the individual investment objectives, financial situation or particular needs of any person. Nothing in this Prospectus should be construed as a recommendation by the Company or any other person concerning an investment in the Company. You should read the entire Prospectus and, in particular, in considering the prospects for Southern Palladium, you should consider the risk factors that could affect the financial performance of Southern

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Palladium. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues), and you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser in relation to the Offer and the transactions contemplated in this Prospectus.

Except as required by law, and only to the extent so required, none of the Company, the Directors, the Management, the Lead Manager or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Bridge Street Capital Partners Pty Ltd have acted as Lead Manager to the Offer. To the maximum extent permitted by law, the Lead Manager and each of their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Electronic Prospectus
This Prospectus may be viewed online at www.southernpalladium.com. The website and its contents do not form part of this Prospectus and are not to be interpreted as being part of, nor incorporated into, this Prospectus. Persons who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Offer to which the electronic Prospectus relates is only available to persons receiving the electronic Prospectus in Australia. Persons having received a copy of this Prospectus in its electronic form in Australia may obtain a paper copy of this Prospectus (including any supplementary document and the Application Form) (free of charge) during the life of this Prospectus by contacting the Company.

Defined terms and Glossary
Capitalised words and expressions used in this Prospectus are defined in the Glossary at Section 12. Terms not otherwise defined in the Glossary are defined in the Independent Technical Assurance Report.

Financial amounts
Financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Photographs and diagrams
Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by Southern Palladium. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Privacy
The Company collects information about each Applicant provided on an Application for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application, each Applicant agrees that the Company may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX, ASIC and other regulatory authorities.

If an Applicant becomes a Shareholder of the Company, the Corporations Act requires the Company to include information about the Shareholder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a Shareholder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including Southern Palladium's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by Southern Palladium with legal and regulatory requirements.

If you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company and the Share Registry holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company.

Speculative investment
An investment in the New Shares should be considered highly speculative. Refer to Section 7 for details of the key risks applicable to an investment in the Company. Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of Southern Palladium and the rights and liabilities attaching to the New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making an investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs and consider their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons are considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional advisor.

There is no guarantee that the New Shares will make a return on capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Competent Person's Statement

The information in the ITAR that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Dr Brendan Clarke, a Partner and an employee of CSA Global. The information in the ITAR that relates to Mineral Resources is based on work undertaken by Anton Geldenhuys, a Principal Consultant and employee of CSA Global.

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Both Dr Clarke and Mr Geldenhuys are Professional Natural Scientists registered with the South African Council of Natural Scientific Professions, a Recognised Professional Organisation, and both have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as Practitioners as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Both Dr Clarke and Mr Geldenhuys consent to the inclusion in the ITAR and this Prospectus of the matters based on their information in the form and context in which it appears.

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Key Offer Statistics and Important Dates

KEY DATES:

Lodgement of Prospectus with ASIC	22 April 2022
Abridged Prospectus published on SENS and the Company's website	22 April 2022
Exposure Period	23 April 2022 - 30 April 2022*
Opening date of Offer	2 May 2022
Closing date of Offer	6 May 2022
Settlement of Offer	20 May 2022
Allotment of New Shares	23 May 2022
Expected dispatch of holding statements and allotment confirmation notices	24 May 2022
Shares expected to commence trading on the ASX and on the JSE (at 9:00am South African time)	25 May 2022

*The Exposure Period may be extended by ASIC for a further 7 days.

Dates may change
*The above dates are subject to change and are indicative only. Changes will be announced on the Company's website at https://www.southernpalladium.com, the ASX Markets Announcement Platform and the JSE Stock Exchange News Service (**SENS**), as appropriate. The Company, in consultation with the Lead Manager, reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the Listing Rules and other applicable laws. If the Offer is cancelled or withdrawn before the settlement of the Offer, then all Application Payments will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.*

KEY OFFER STATISTICS:

	Minimum Subscription	Maximum Subscription
Offer Price for each New Share	$0.50	
Number of Existing Shares on issue as at the date of this Prospectus	6,250,000	
Number of Shares to be issued upon completion of the Acquisition	45,500,000	
Number of New Shares to be issued under the Offer	34,000,000	38,000,000
Total number of Shares on issue at Completion	85,750,000	89,750,000
Indicative market capitalisation at Completion (at the Offer Price)	$42,875,000	$44,875,000
Proceeds to the Company from the issue of New Shares	$17,000,000 before expenses	$19,000,000 before expenses

HOW TO INVEST:

Applications for New Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for New Shares are set out in Section 9.11 and on the back of the Application Form.

QUESTIONS:

Please contact the IPO Offer Information Line, on 1300 404 327 (if calling within Australia) or +61 3 9415 4233 (if calling from outside of Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays), if you have any questions about the Application Form.

If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

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Chairman's Letter

Dear Investor

On behalf of the Directors I am pleased to invite you to become a Shareholder of Southern Palladium Limited (**Company** or **Southern Palladium**).

The Company is engaged in advanced stage platinum group minerals (**PGM**) exploration and development through its acquisition of a 70% interest in a South African private company, Miracle Upon Miracle Investments Proprietary Limited (**MUM**), which will be completed immediately prior to the Listing. The remaining 30% of MUM will remain held by a company wholly-owned by the local Bengwenyama-ye-Maswazi community (**Bengwenyama**). MUM holds 100% of the Preferent Prospecting Right to the Bengwenyama PGM project, located in the heart of the Eastern Limb of the Bushveld Complex in South Africa (**Project** or **Bengwenyama Project**). The Company was formed in December 2020 specifically to acquire its holding in MUM, with all of the previous MUM shareholders to be Shareholders in the Company and, in the case of the Bengwenyama, being both a Shareholder in the Company and retaining a 30% direct interest in MUM.

The purpose and strategy of the Company is to bring the necessary financial and technical resources to MUM and, in partnership with the Bengwenyama, to advance the Project.

The Company is seeking to raise between $17,000,000 (**Minimum Subscription**) and $19,000,000 (**Maximum Subscription**) through the issue of between 34,000,000 New Shares and 38,000,000 New Shares at a price of $0.50 per New Share pursuant to the Offer.

The Project currently has a JORC 2012 Inferred Resource of 18.80 million oz. (3 PGE + Au) (Stated 1 July 2021), and the funds from the issue of New Shares will be used primarily: a) to improve the confidence level over a sufficient part of the resource to enable a JORC Reserve to be determined, b) to enable completion of a pre-feasibility study for a mining operation and apply for a mining right at the Project, and c) to extend the resource within the Project area.

The Offer is an important next step in the evolution of Southern Palladium and the Board believes it is an integral part of our long term growth strategy. The Offer provides an opportunity for you to share in our future.

The Offer will close at 5:00pm (Sydney time) on 6 May 2022, unless varied by the Board. The Company expects to issue and allot all New Shares on or about 23 May 2022.

Subject to the Company's application for listing being accepted by the ASX and the JSE, it is anticipated that the Company's securities will be admitted to quotation and commence trading on the ASX and the JSE on or about 25 May 2022.

This Prospectus contains detailed information about the Offer and the financial position, operations, management team and future plans of Southern Palladium. **Section 7 includes a description of the key risks associated with an investment in Southern Palladium and this should be read in detail**. I encourage you to read the Prospectus carefully and in its entirety before making your investment decision and if required consult with your stockbroker, solicitor, accountant or other independent professional adviser.

On behalf of the Directors, I invite you to consider this opportunity to invest in the Company and look forward to welcoming you as a Shareholder.

Yours sincerely

Terence Goodlace
Chairman
Southern Palladium Limited

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1 Investment Overview

The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

1.1 Company and business overview

Topic	Summary	More info
What does Southern Palladium do?	The Company is engaged in advanced stage platinum group minerals exploration and development through its acquisition of a 70% interest in a South African private company, Miracle Upon Miracle Investments Proprietary Limited (**MUM**), which acquisition will be completed immediately prior to the Listing. MUM holds 100% of the Preferent Prospecting Right over the Properties issued under Section 104 of the South African Minerals and Petroleum Resources Development Act, 2002 (**MPRDA**), and registered as LP30/5/1/1/002PPR (**Project** or **Bengwenyama Project**).	Sections 3 and 4.
Why is Southern Palladium seeking to raise funds?	The Offer is being conducted to: • provide Southern Palladium with funding to undertake its exploration program and fund working capital and other operational expenses, including the costs associated with operating Southern Palladium's business and the Listing, as set out in the use of funds table in Section 9.8; • provide the Company with a liquid market for its Shares and an opportunity for others to invest in the Shares; • provide the Company with the benefits that flow from being a listed company on the ASX and the JSE; and • provide an environment for the Company to potentially access further capital for future funding needs. Southern Palladium has enough working capital at the time of its admission to carry out these stated objectives.	Section 9.9.
What is Southern Palladium's financial position?	The Company had cash totalling $1,114,417 at 31 December 2021, and at the Maximum Subscription at the Listing date is expected to have cash of $18,377,899. The Company has no debt. The Acquisition will have a carrying value of $22,750,000 at the Listing date. The Company is expected to have trade and other payables of $208,746 at the Listing date.	Section 5.
How will Southern Palladium report to shareholders on the performance of its activities?	Information will be communicated to Shareholders through announcements to the ASX, SENS announcements, half-yearly and yearly financial reports, and annual report, at the Company's annual general meeting and on the Company's website: www.southernpalladium.com.	Section 8.6.
Will the Company pay dividends?	Being at the advanced exploration stage, the Company does not currently earn any revenue, and this situation is not expected to change in the next two years. Accordingly, the Company does not have a dividend policy and no dividends will be payable for at least a period of two years following the Company's Listing on the ASX and the JSE. The Board will review the policy if and when the Company starts to generate revenue.	Section 10.6.

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Topic	Summary	More info
How does the Company make money?	Being at the advanced exploration stage, the Company does not currently earn any revenue. The Company's strategy is to advance the Project through further exploration and technical and financial studies, with the aim of completing a pre-feasibility study for an operating PGM mine and submitting the application for a mining right within two years from the date of the Listing. The Listing will provide the Board with the ability to raise the funds required for exploration activities and to swiftly identify and secure strategic exploration and resource assets.	Section 3.
What is the current and what will be the capital structure of the Company on Completion?	At the Prospectus Date, the Company's capital structure comprises Shares only. Upon Completion, the Company's capital structure will comprise Shares, Series A Options, Series B Options, Alignment Options and Performance Rights as detailed below.	Section 10.3.

Securities	As at the Prospectus Date		On Completion			
			Minimum Subscription		Maximum Subscription	
	Number	Percentage	Number	Percentage*	Number	Percentage*
Shares	6,250,000	**100.00%**	85,750,000	91.10%	89,750,000	91.31%
Options	0	0.00%	7,178,000	7.63%	7,338,000	7.47%
Performance Rights	0	0.00%	1,200,000	1.27%	1,200,000	1.22%
Total securities	**6,250,000**	**100.00%**	**94,128,000**	**100.00%**	**98,288,000**	**100.00%**

Notes:
* On a fully diluted basis, but excluding the Performance Rights (given they are subject to achievement of the Initial Reserve Milestone).
** The terms of the Options (Series A and B and Alignment Options) and Performance Rights are set out in Sections 10.3(a), 10.3(b), 10.8(i) and 10.3(c) respectively.

Between the Prospectus Date and Completion, the Company proposes to issue 45,500,000 Shares to the Vendors, 3,000,000 Series A Options and 1,200,000 Performance Rights (divided equally between Geoff Hiller, Mike Stirzaker and Rob Thomson (or their related entities)). Additionally, 700,000 Series B Options in aggregate will be issued to the Directors at Completion.

The Company's free float at the time of listing will not be less than 20%. Furthermore, the Company has satisfied the requirements of the JSE Listings Requirements regarding the spread of its Shareholders, including that: (i) there is sufficient liquidity in respect of the Shares held on the South African branch share register; and (ii) not less than 20% of the Shares of the issued ordinary share capital of the Company is held by the public, in each case, at the point of Listing on the JSE.

Who are the Company's substantial shareholders and what will their interests be on Completion?	The Company's substantial Shareholders and their current shareholdings are set out below, together with their proposed shareholdings on Completion:	Section 10.3

Topic	Summary	More info

Substantial shareholder	As at the date of this Prospectus		On Completion							
			Minimum Subscription				Maximum Subscription			
	Number	Percentage	Number of Shares	Number of Options	Number of Performance Rights	Percentage*	Number of Shares	Number of Options	Number of Performance Rights	Percentage*
Regal Funds Management ^^	1,680,000	26.88%	1,680,000	-	-	1.81%	1,680,000	-	-	1.73%
Sprott Asset Management ^*	760,000	12.16%	760,000	-	-	0.82%	760,000	-	-	0.78%
Lowell Resources Fund	625,000	10.00%	625,000	-	-	0.67%	625,000	-	-	0.64%
Clarkson Boathouse Pty Limited^	466,670	7.47%	466,670	-	-	0.50%	466,670	-	-	0.48%
Jackie Au Yeung	375,000	6.00%	375,000	-	-	0.40%	375,000	-	-	0.39%
Nurinox	-	-	8,327,394	-	-	8.96%	8,327,394	-	-	8.58%
Legacy	-	-	5,108,194	-	-	5.50%	5,108,194	-	-	5.26%
Johan Odendaal	-	-	12,656,992	100,000	-	13.73%	12,656,992	100,000	-	13.14%
Geoff Hiller	500,000	8.00%	500,000	1,100,000	400,000	1.72%	500,000	1,100,000	400,000	1.65%
Mike Stirzaker	583,333	9.33%	583,333	1,100,000	400,000	1.81%	583,333	1,100,000	400,000	1.73%
Rob Thomson	750,010	12.0%	750,010	1,100,000	400,000	2.24%	750,010	1,100,000	400,000	2.15%
Daan van Heerden	-	-	12,656,992	100,000	-	13.73%	12,656,992	100,000	-	13.14%

Notes:

* On a fully diluted basis, but excluding the Performance Rights (given they are subject to achievement of the Initial Reserve Milestone).
** The terms of the Options (Series A and B) and Performance Rights are set out in Sections 10.3(a), 10.3(b) and 10.3(c) respectively.
^ 233,335 Shares held by Clarksons Boathouse Pty Ltd as trustee for Clarkson Super Fund Account and 233,335 Shares held by Clarksons Boathouse Pty Limited as legal and beneficial holder.
^^ CS Third Nominees Pty Ltd as trustee for HSBC Cust Nom Au Ltd 13 A/c.
^* Drill Driven Alpha Fund, LP.

.

1.2 Key risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and share price. The following table is a summary of the specific key risks that Southern Palladium is exposed to. Further details about these and other general risks associated with an investment in the Company are set out in Section 7.

Topic	Summary	More info
Exploration and development	The future value of the Company will depend on its ability to develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. There is no assurance that commercial quantities of PGMs and/or PGE (4E) will be discovered at the Project or any future tenements, nor is there any assurance that the exploration or development programs of the Company will yield any positive results.	Section 7.1(a).

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Topic	Summary	More info
Resource and Reserve estimates risk	As stated in the Independent Geologist's Executive Summary in the ITAR on page iii, the Independent Geologist has stated a Mineral Resources Estimate in accordance with JORC 2012, potential investors should note that this Mineral Resources Estimate is reported with 100% in the inferred resource category. The Mineral Resource Estimates are estimates only and no assurances can be given that any particular level of recovery of mineral resources will in fact be realised. No assurance can be given that the Mineral Resources will be recovered at the quality or yield presented or that downgrades of reserves and resources will not occur, and there is no assurance that Inferred Mineral Resource Estimates are capable of being directly reclassified as Ore Reserves under the JORC Code.	Section 7.1(b).
Tenure and Title Risk	The Group's operations in South Africa require approvals from various South African government regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company. Mining and exploration tenements/licences are subject to periodic renewal. There is no guarantee that current or future exploration permit applications or existing permit renewals will be approved, renewed or renewed in full, and that they will be granted without undue delay, or that the Company (or the holder) can economically comply with any conditions imposed on any granted exploration permits. A failure to obtain any approval would mean that the Group may be restricted, either in part or absolutely, from exploration, development and mining activities.	Section 7.1(c).
Accessing tenement areas	Whilst MUM is not legally required to obtain any further authorisation to access the Properties, it has commenced negotiations with the Bengwenyama regarding the terms of a co-operation and framework agreement that will include matters relating to use of the land by MUM for exploration purposes. Notwithstanding that the Bengwenyama are equity participants in the Project, there is no guarantee that MUM will not experience issues with access to the Properties. Any difficulties with access will have a material adverse impact on the operations, and consequently, financial position and prospects of the Company.	Section 7.1(d).
Future funding needs	At the date of this Prospectus, the Company has no assets currently producing income, its business model is to continue to explore and spend with no assurance of positive results and will generate losses for the foreseeable future. The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Group for the two-year period following Completion. Further funding may be required by the Company in the event that costs exceed estimates, to support its ongoing operations and implement its strategies. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely have a material adverse impact on the potential growth of the Company.	Section 7.1(e).
Legal system	The Project is located in South Africa, and as a result, the Company is subject to the risks associated with conducting business in South Africa. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations could cause additional expense, restrictions or suspensions of the Company's operations and Project delays.	Section 7.1(f).
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its Directors, its small management team, and on its relationship with Minxcon.	Section 7.1(g).

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Topic	Summary	More info
and relationship with Minxcon	The Group relies on experienced and qualified technical staff that are mostly engaged as consultants and there is a risk that the Group may not be able to attract or to retain key staff or be able to find effective replacements in a timely manner. As a result, the Group's operations and financial performance would likely be materially adversely affected.	

1.3 **Directors and key employees**

Topic	Summary	More info
Who are the Directors of the Company?	The Company has a highly experienced Board with significant commercial experience: • Terence Goodlace – Non-executive Chairman • Nicolaas Johannes (Johan) Odendaal – Non-executive Director; Managing Director from completion of the Acquisition • Geoffrey (Geoff) Hiller– Non-executive Director • Michael (Mike) Stirzaker – Non-executive Director • Robert (Rob) Thomson – Non-executive Director • Daniel (Daan) van Heerden – Non-executive Director	Section 8.1.
Who are the key managers of the Company?	Apart from Johan Odendaal, the senior Management of the Company will comprise only the company secretary, Andrew Cooke.	Section 8.2.

1.4 **Interests and benefits of Directors**

Topic	Summary	More info
What are the Directors' security holdings?	The interests of the Directors and the Managing Director (**Relevant Officers**) are set out below:	Section 8.3(b).

Relevant Officer (including associates)	Shares as at the Prospectus Date		Securities on Completion				
	Number	Percentage	Number of Shares	Number of Options	Number of Performance Rights	Percentage* at Minimum Subscription	Percentage* at Maximum Subscription
Terence Goodlace	nil	-	nil	200,000	-	0.22%	0.21%
Johan Odendaal	nil	-	12,656,992	100,000	-	13.73%	13.14%
Geoff Hiller	500,000	8.0%	500,000	1,100,000	400,000	1.72%	1.65%
Mike Stirzaker	583,333	9.3%	583,333	1,100,000	400,000	1.81%	1.73%
Rob Thomson	750,010	12.0%	750,010	1,100,000	400,000	1.99%	1.91%
Daan van Heerden	nil	-	12,656,992	100,000	-	13.73%	13.14%

*On a fully diluted basis, but excluding the Performance Rights (given they are subject to achievement of the Initial Reserve Milestone) – refer to Section 10.3 for the terms of the Options and Performance Rights.

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<table>
<tr><th>Topic</th><th>Summary</th><th>More info</th></tr>
<tr><td>Will the Directors receive any remuneration including securities?</td><td>
The total remuneration packages inclusive of superannuation benefits for the current non-executive Directors are as follows:
<table>
<tr><th>Director</th><th>Cash component (including superannuation)</th><th>Securities</th></tr>
<tr><td>Terence Goodlace</td><td>$89,000^</td><td>200,000 Series B Options*</td></tr>
<tr><td>Johan Odendaal</td><td>$38,500</td><td>100,000 Series B Options*</td></tr>
<tr><td>Geoff Hiller</td><td>$42,500^</td><td>100,000 Series B Options*</td></tr>
<tr><td>Mike Stirzaker</td><td>$46,500^</td><td>100,000 Series B Options*</td></tr>
<tr><td>Rob Thomson</td><td>$42,500^</td><td>100,000 Series B Options*</td></tr>
<tr><td>Daan van Heerden</td><td>$42,500^</td><td>100,000 Series B Options*</td></tr>
</table>
* See Section 10.3 for a summary of the terms of the Series B Options.
^ Includes committee fees for the Board, per annum.

In addition, at the discretion of the Board, each of the Directors may become eligible for discretionary at risk incentives in circumstances where pre-determined performance targets are exceeded. Apart from the Performance Rights (summarised in 10.3(c)) and the Series B Options, no Directors have been awarded any at risk incentives at the Prospectus Date.

In addition, Mike Stirzaker is entitled to be paid a fee of $75,000 in respect of services to the Company to progress and complete the Offer and Acquisition.
</td><td>Section 8.3(c).</td></tr>
<tr><td>Will any other persons connected with Southern Palladium or the Offer receive any remuneration including securities?</td><td>
The fees to be paid to the Lead Manager are set out below:

• on completion of the IPO Capital Raising, a management fee of 2.0% of the total proceeds raised in the IPO Capital Raising, payable in cash or shares at the same price of the IPO Capital Raising and at the option of the Lead Manager. The Lead Manager has determined to receive its fee in cash;

• a success/placement fee of 4% of the total proceeds raised in the IPO Capital Raising, payable in cash, which may be used to pay other broker groups and intermediaries to incentivise them to participate in the Offer. This fee is to be reduced to 1.0% on any allocation of IPO Capital Raising shares to investors under the Chairman's List Offer, up to a maximum aggregate allocation of A$750,000 under the Chairman's List Offer; and

• on completion of the IPO Capital Raising, the Company will issue to the Lead Manager or its nominees call options (Alignment Options) equal to 3,478,000 Alignment Options if the IPO Capital Raising is A$17 million; 3,638,000 Alignment Options if the IPO Capital Raising is A$19 million; or a pro rata amount of Alignment Options between the two amounts if the IPO Capital Raising is between A$17 million and A$19 million. The Alignment Options may be allocated, in whole or part, by the Lead Manager to other broker groups and intermediaries to incentivise them to participate in the Offer and provide long term support to the Company, at the sole discretion of the Lead Manager. The Alignment Options will be unlisted, have an expiry date of four years from their issue date and an exercise price equal to a 75% premium to the Offer issue price.
</td><td>Sections 10.8(i) and 10.16.</td></tr>
</table>

Topic	Summary	More info
	Shares issued upon exercise of the Alignment Options will rank equally with all other Shares on issue.	
Are there any related party transactions?	Other than as disclosed below or in Section 10.8, there are no other related party transactions. The 2019 to 2021 annual financial statements of MUM set out that a number of (beneficial) shareholder (or former shareholder) loans are in place. The amount of such loans total R2,140,994. In terms of the Share Exchange Agreement, the abovementioned loans owing by MUM to shareholders (or former shareholders) are to be settled within 30 days of the Acquisition. It is proposed that MUM will enter into a contract with Minxcon for the co-ordination and management of the exploration activities at the Project. The Company has a Conflict of Interest Policy (refer section 8.6) and has a specific conflict of interest protocol for managing any ongoing commercial arrangements between the Company, MUM and Minxcon.	Section 10.9.
What escrow arrangements will be in place as at Completion?	As at the date of this Prospectus, the Company believes that up to 46,761,673 Shares (including 1,261,673 Shares held by Directors and 45,500,000 Shares to be issued to the Vendors on completion of the Acquisition) representing approximately 54% of Shares on issue on Completion of the Offer on a Minimum Subscription and 52% of Shares on issue on a Maximum Subscription will be subject to ASX imposed escrow. The Options held by Directors and the Lead Manager on Completion of the Offer may be subject to some form of ASX imposed compulsory restriction arrangement for up to 24 months under the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform and on SENS prior to commencement of official quotation of the Shares. None of the New Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions.	Section 10.5.
What Corporate Governance Policies does the Company have in place?	A summary of the Corporate Governance policies adopted by the Company are set out in section 8.6.	Section 8.6.

1.5 **Summary of the Offer**

Topic	Summary	More info
What is the Offer?	The Offer is an initial public offer of between 34,000,000 (being the Minimum Subscription) and 38,000,000 New Shares (being the Maximum Subscription) to be issued by the Company. The New Shares are being offered at a price of $0.50 per Share.	Section 9.2.
How is the Offer Structured?	The Offer comprises: • the Institutional and Broker Firm Offer, which is open to sophisticated and professional investor clients of Brokers who have received a firm allocation from their Broker. Details of the Institutional and Broker Firm Offer and the allocation policy under it are described in Section 9.12;	Section 9.3.

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Topic	Summary	More info
	• the Chairman's List Offer which is open to selected investors in eligible jurisdictions who have received an invitation from the Chairman to acquire Shares under the Offer. Details of the Chairman's List Offer and the allocation policy under it are described in Section 9.13; and • the Retail Offer, which is open to the general public in Australia who may apply for Shares under the Offer using the Application Form. Details of Retail Offer and the allocation policy under it are described in Section 9.14. The allocation of Shares between the Institutional and Broker Firm Offer, the Chairman's List Offer and the Retail Offer will be determined by agreement between the Company and the Lead Manager having regard to the allocation policy described in Sections 9.12, 9.13 and 9.14.	
What rights and liabilities attach to the Shares being offered?	All New Shares issued under the Offer will rank equally in all respects with existing Shares on issue. The rights attaching to New Shares are described in section 10.2.	Section 10.2.
Will the Shares be quoted on the ASX?	The Company will apply to the ASX no later than 7 days from the date of this Prospectus for official quotation of all Shares on the ASX under the ticker SPD.	Section 9.10.
Will the Shares be quoted on the JSE?	The Company has applied to the JSE for admission for trading of its securities in the Platinum and Precious Metals sector of the Main Board of the JSE as a secondary (or inward) listing. Such listing is conditional on the Company satisfying the requirements of the JSE for such listing, including that the ASX has granted a primary listing of its shares on the ASX. The Company's Shares are expected to trade on the JSE under the abbreviated name South Pd and the alpha code SDL on 25 May 2022. When admitted to trading on the ASX and the JSE, the Shares will be registered with an ISIN to be issued by the ASX. The Company will be required to comply with the JSE Listings Requirements (as may be applicable), subject to any waivers obtained by the Company from time to time. The JSE will consider the Listing as a secondary listing on the Main Board of the JSE in terms of Section 18 of the JSE Listings Requirements. The fact that JSE may permit the securities of the Company to be traded on the JSE is not to be taken as an indication of the merits of the Company or the New Shares offered for subscription.	Section 9.10.
Is the Offer underwritten?	No.	Section 9.10.
What is the allocation policy applicable to the Offer?	The allocation of Shares between the Institutional and Broker Firm Offer, the Chairman's List Offer and the Retail Offer will be determined by agreement between the Company and the Lead Manager having regard to the allocation policy described in Sections 9.12, 9.13 and 9.14. The Company in consultation with the Lead Manager has absolute discretion regarding the level of scale-back and the allocation of New Shares under the Offer (if any).	Sections 9.12, 9.13, 9.14 and 9.16.
What is the Minimum	Applications must be for a minimum of 4,000 Shares, and thereafter in multiples of 2,000 Shares.	Section 9.11.

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Topic	Summary	More info
Application under the Offer?		
When will I know if my application has been successful?	A holding statement or allotment confirmation notice confirming your allocation under the Offer will be sent to you if your Application is successful.	Section 9.18.
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of New Shares under the Offer.	Section 9.17.
What are the tax implications of investing in the Shares?	A summary of certain Australian tax consequences of participating in the Offer and investing in Shares are set out in section 10.10. The tax consequences of any investment in New Shares will depend on your personal circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 10.10.
How do I apply for Shares?	If you wish to apply for New Shares under the Offer, please apply and complete the online Application Form at **https://SPDoffer.thereachagency.com**, or complete the Application Form that forms part of or is attached to this Prospectus in accordance with the instructions set out on that form. All Application Forms must be accompanied by payment in full of the Offer Price of $0.50 per New Share applied for. The Application Payment must be made by BPAY®, unless otherwise determined by the Board. Applicants must not forward cash. Receipts for Application Payments will not be issued. If you apply online, you will need to make a BPAY® payment by following the instructions on the online Application Form by 5.00pm (Sydney time) on 6 May 2022. The Company reserves the right to vary the Closing Date, subject to the Corporations Act and the ASX Listing Rules.	Section 9.11.
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue and allotment of New Shares to successful Applicants. If the Offer does not proceed, Application Payments will be refunded. No interest will be paid on any Application Payments refunded as a result of the withdrawal of the Offer.	Section 9.22.
Where can I find more information?	Questions relating to Applications for New Shares can be directed to the IPO Offer Information Line, on 1300 404 327 (if calling within Australia) or +61 3 9415 4233 (if calling from outside of Australia).	-

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1.6 Proposed use of funds raised

<table>
<tr><th>Topic</th><th>Summary</th><th>More info</th></tr>
<tr><td>How will the funds raised from the issue of New Shares be used?</td><td>The proposed use of funds raised under the Offer from the issue of New Shares is set out below:
<table>
<tr><th rowspan="2">Use of proceeds</th><th colspan="2">Minimum Subscription</th><th colspan="2">Maximum Subscription</th></tr>
<tr><th>Estimated spend</th><th>Percentage</th><th>Estimated spend</th><th>Percentage</th></tr>
<tr><td>Phase 1 drilling</td><td>$7,716,000</td><td>44%</td><td>$7,716,000</td><td>41%</td></tr>
<tr><td>Phase 2 drilling</td><td>$2,435,000</td><td>14%</td><td>$3,805,000</td><td>20%</td></tr>
<tr><td>Other technical work on the Project</td><td>$1,677,000</td><td>10%</td><td>$1,677,000</td><td>9%</td></tr>
<tr><td>Corporate and other related costs</td><td>$3,918,000</td><td>23%</td><td>$3,918,000</td><td>21%</td></tr>
<tr><td>Costs of the Offer</td><td>$1,617,000</td><td>9%</td><td>$1,737,000</td><td>9%</td></tr>
<tr><td>Total funds raised</td><td>$17,363,000</td><td>100%</td><td>$18,853,000</td><td>100%</td></tr>
</table>
The Minimum Subscription is sufficient to meet Southern Palladium's objectives. Southern Palladium has enough working capital at the time of its admission to carry out these stated objectives.</td><td>Section 9.8.</td></tr>
</table>

You should read this Prospectus carefully and in its entirety, including Section 7, before deciding whether to apply for New Shares. If you are in doubt as to the course you should follow, you should consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser.

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2 Industry Overview

Commodity price report and industry review of Platinum Group Metals for inclusion in the Prospectus for the listing of Southern Palladium on the Australian Stock Exchange.

Prepared by Sieberana Research (René Hochreiter). March 2022.

2.1 Platinum Group Metals

Platinum and its group of metals ("PGMs") are a very special set of metals. They clean up the environment; lower deleterious gaseous vehicle emissions; are good cancer drugs; make very special, high strength, sophisticated, difficult-to-make jewellery; allow massive data storage in electronic devices; and platinum-bearing fuel cells make the best batteries for electric vehicles. Platinum is still the best and most efficient catalyst substance since the dawn of the science of chemistry. There is virtually no chance of these metals becoming obsolete or being substituted except by themselves.

2.2 PGM Demand Drivers

Demand for platinum ("Pt"), palladium ("Pd") and rhodium ("Rh") in 2021 is forecast to be roughly 7.5 Moz, 10.5 Moz and 1.2 Moz, respectively. Demand drivers for PGMs are dominated by catalytic converters ("autocats") for control of gaseous emissions of vehicles, industrial demand for catalysts for oil refining, fertilizer manufacture, manufacture of chemicals and crucibles for chemical reactions, manufacturing of glass fibre and flat glass screens for cellphone and flat screen televisions and electronic screens, jewellery demand, the manufacture of cancer treatment drugs like cisplatin, and investment demand such as Exchange Traded Products ("ETFs"), coins bars and collectibles.

Prospects for rising PGM prices through higher demand and market deficits of all PGMs, especially rhodium, are more likely in the next 10 years than at any point in history as the environmental theme becomes dominant in many economies and central on the radar of investment fund managers. The need for clean energy and clean emissions is paramount in today's world. Rising platinum demand from zero-emission engines for fuel cells, essentially a hydrogen battery ("FCBs"), for trucks and cars, hydrogen manufacture to drive the inexorably rising demand of PGMs in autocats for gasoline and diesel driven cars and trucks needing ever increasing amounts of PGMs to meet increasingly onerous emissions control regulations in all parts of the world that can only be satisfied by the use of PGMs.

(a) Automotive PGM Demand

Automotive demand is by far the biggest demand sector for PGMs comprising 88% of rhodium demand, 84% of palladium demand and 36% of platinum demand. A typical gasoline autocatalyst will have a loading of around 4.2 grams of Pd and 0.6 grams of rhodium. With the implementation of emissions legislation, loadings of the catalytic converters have increased and will continue to do so, particularly rhodium loadings in a gasoline vehicle, which increased sevenfold from 2019 to 2022 and further increases are expected as new legislation is enforced. This decade we still expect to see the implementation of more stringent emissions control legislation.

The following emission standards will be implemented: China 7 and Euro 7 in 2027, BS VI in India in 2023, L8 in Brazil in 2025 and Euro5/6 in Thailand 2025/28. Figure 1 and Figure 2 show the scheduled implementation of emissions legislation in the most vehicle intense countries in the world.

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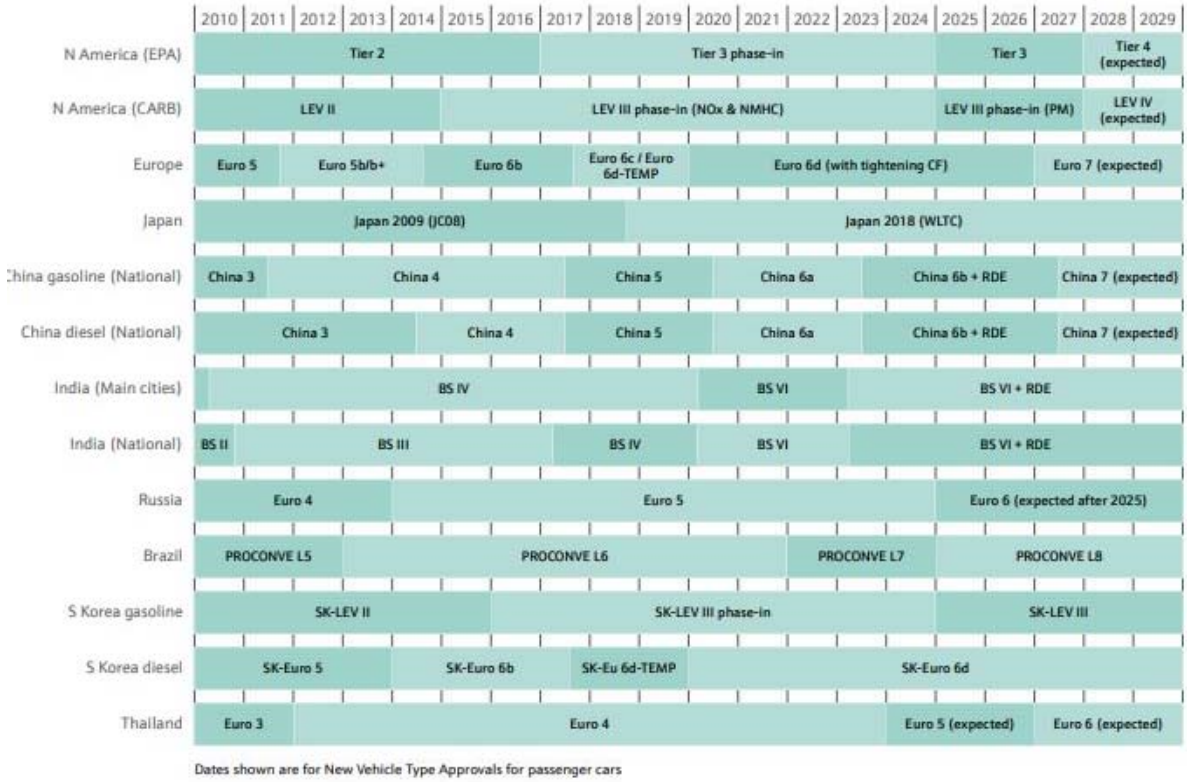
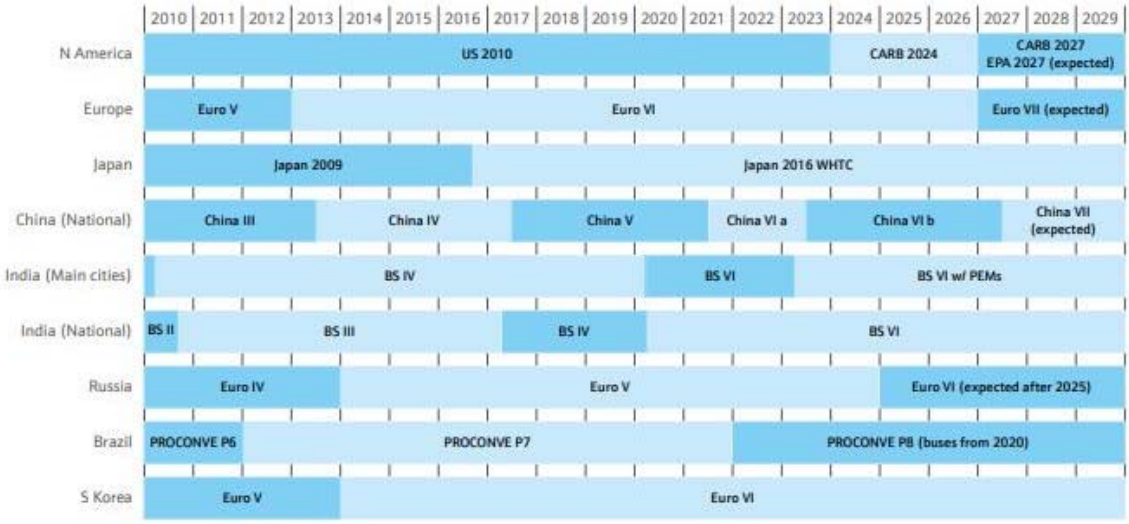
Figure 1: Scheduled Emissions Legislation Implementation in Vehicle Intense Countries – Light Duty Vehicles



Source: Johnson Matthey PGM market report May 2021

Figure 2: Scheduled Emissions Legislation Implementation in Vehicle Intense Countries – Heavy Duty Vehicles



Source: Johnson Matthey PGM market report May 2021

Our forecast of platinum, palladium and rhodium loadings in various vehicle types as a consequence of the legislation shown above and extrapolated into the following decade is shown respectively in Figure 3, Figure 4 and Figure 5.

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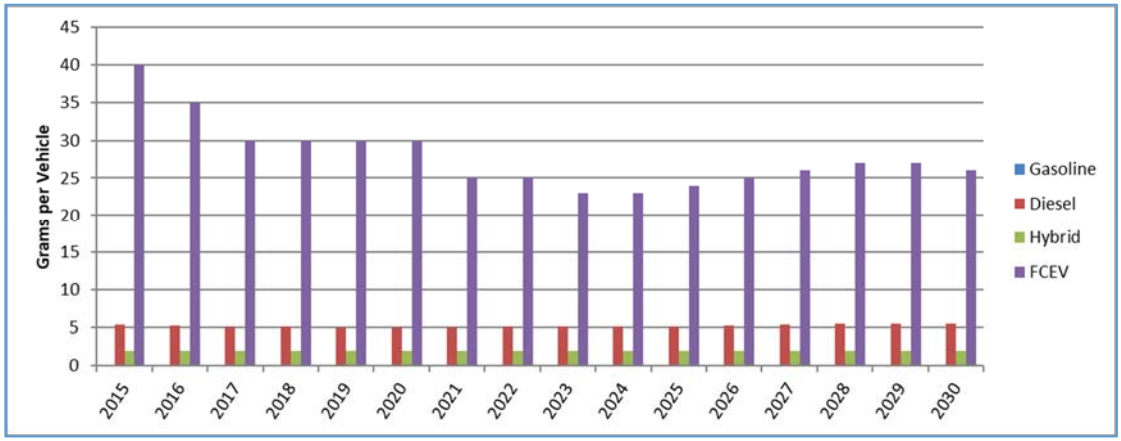
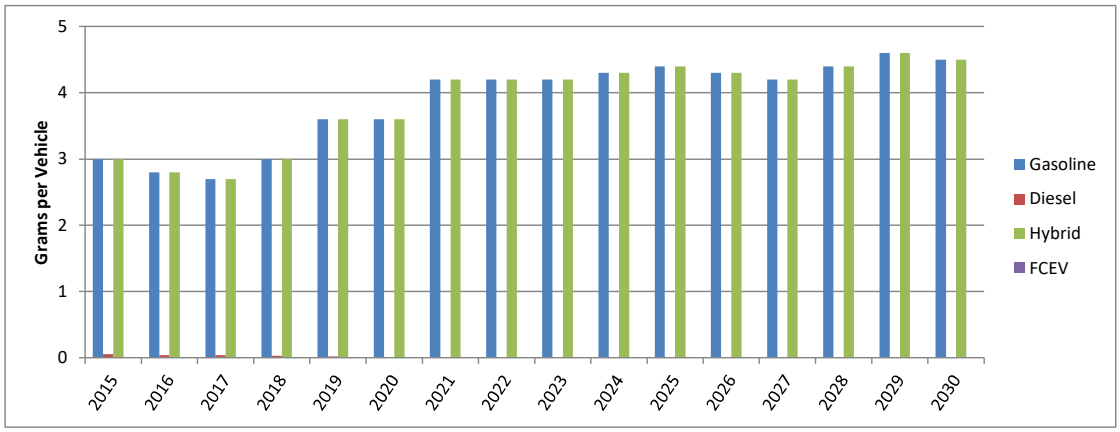
Figure 3: Forecast Platinum Loading



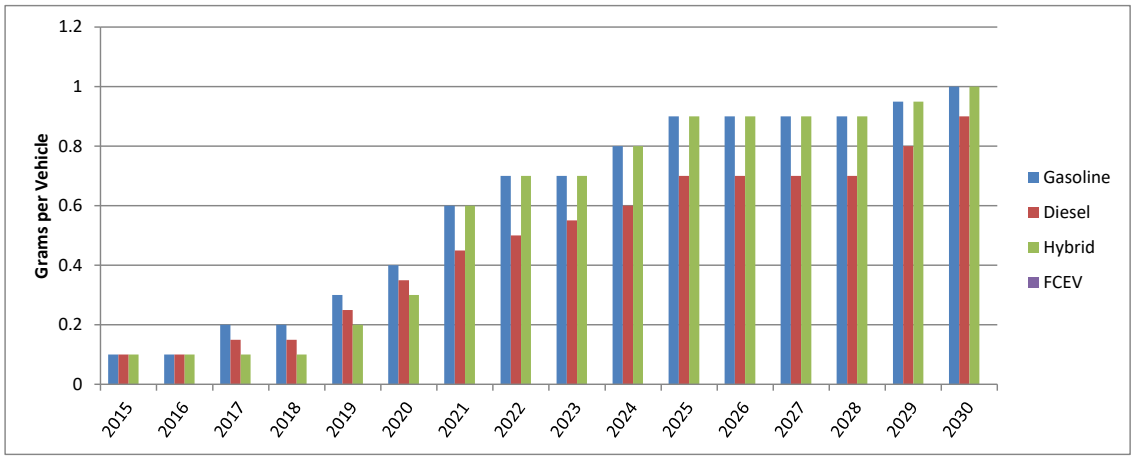
Source: Sieberana Research

Figure 4: Forecast Palladium Loading



Source: Sieberana Research

Figure 5: Forecast Rhodium Loading (No Rh in an FCEV)



Source: Sieberana Research

Substitution by platinum for palladium in catalytic converters or autocats will dampen palladium price rises but likely only for a year or two before Above Ground Stocks ("AGS") of platinum are depleted. It is fairly certain that emissions legislation will not stop after 2029 as in the Johnson Matthey table above and that Internal Combustion Engines ("ICE") powered cars will still dominate the market by 2030 given its practicality and low cost versus the pure Battery Electric Vehicle ("BEV"). BEV

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penetration at the expense of the ICE will most likely disappoint and may not even reduce net NOx and COx emissions as 87% of global energy is generated with the use of hydrocarbons ("HCs") - namely coal, oil, and gas - and this figure is unlikely to drop below 75% by 2030. We therefore think that the ICE vehicle will remain the dominant vehicle in the next 20 years despite the optimistic forecasts made by especially VW and their associates who are using their BEV projections to cover up their installation of illegal emissions manipulation devices discovered by the US EPA in September 2015. For reasons of cost and total emissions (cradle to grave) BEVs still require significant research and development.

(b) Platinum Jewellery

Demand for platinum jewellery was the largest demand sector between 1996 and 2002, and in 1999 at 2.9 Moz of jewellery demand, saw 1.3 Moz higher than the next largest, the autocat sector at 1.6 Moz of demand. This year we forecast jewellery demand of 1.5 Moz out of total demand of 10.5 Moz. Platinum is ten times rarer than gold, and the platinum jewellery industry benefitted from this rarity by demanding high prices making it more desirable from the seller's or the gift receiver's perspective. It has also benefited from a more sophisticated aura than the "pagan" aura of gold, greater durability, and strength (being able to clasp a diamond more securely than gold), and from the more attractive look of the white metal against the colour of Asian skin, particularly Japanese and Chinese.

In Japan and China, North America and northern Europe, wedding bands made of platinum still dominate especially amongst the wealthier and more sophisticated. In China, during the emergence of China economically from the Maoist era, many wealthy Chinese spent much of their newly found wealth and freedom on jewellery and travel. Since then, jewellery demand in China has fallen steadily as smart phones and travel became its biggest competition. As a result, jewellery demand in China fell from well over 2 Moz in 2008 to 842 Koz by 2020 (Source: Johnson Matthey).

Platinum jewellery will make a comeback as its price and desirability rises over the next decade, with jeweler's margins improving because of the rises, but also with the return to normality and a recovering wealth effect after the Covid era adding to demand. We see demand rising back to the 1.7 Moz level by 2025 and further to 2 Moz by 2030.

(c) Investment

Investment demand for platinum fell from a record 1.1 Moz in 2019 to 901 Koz in 2020 but we expect continued good demand in 2021. Numismatic demand remains strong in the US and Japan with the first "Big Five" (the elephant) South African platinum coin offering selling out last year to US dealers and with demand strong again this year. ETFs of platinum and rhodium and bars we see remaining strong into 2022. ETFs are the supply of last resort when the buyer requests delivery and as such palladium ETFs are low as stocks of this metal are now desperately low following many years of palladium-rich autocat manufacturing and now the global warming and water inundation problems experienced by Norilsk in the last few months, and which will likely persist into the future.

(d) Other End Uses

The use of PGMs, especially platinum, is often underestimated or poorly understood. PGMs are used in many other applications including chemical (catalytic properties, lowering the activation energy needed for a chemical reaction to proceed), pharmaceutical (cancer treatment drugs), petroleum refining (cracking big oil molecules to smaller low octane petrol products), electronic uses (hyper-capacity data storage) and glass manufacturing (fibre glass production, where the high melting point and hardness of platinum and rhodium allow high quality glass fibre extrusion and also in the manufacturing of plate glass in large, smooth, inert high temperature molds for super large screen TVs and high durability cellphone "gorilla" glass). These demand sectors account for roughly 2 Moz of platinum demand including an "other" category of around 450 Koz used in coatings of aero engine turbine blades, PGM-coated spark plugs, automotive sensors, thermocouples, cloud storage server disks, hard drives, solid state data cards, bitcoin mining processors, dental use for crowns due to its high clasping ability and 5G crucibles.

(e) Outlook for Hydrogen Production and Fuels Cells

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The rise of the theme of "Environmental, Social and Governance" ("ESG") has been astronomic and is now dominating virtually all Boardrooms as Investors now shun all commodities and companies that do not meet global ethical ESG and emissions standards. The use of green hydrogen is one way to a zero emissions world and the use of platinum in its manufacture and its use in the Fuel Cell Battery is a route to meeting future carbon neutral legislation and ethically superior self-imposed standards of ESG.

In hydrogen generation and production (hydrolyzing water in the presence of platinum breaks the water molecule bond into hydrogen and oxygen), fuel cell anodes (the electron from hydrogen atoms are detached in the presence of platinum, creating the current for an electric motor) will use platinum in the amounts we have calculated in Table 1.

Table 1: Fuel Cell and H_2 Production over the Next 10 Years

Europe	FC Passenger	Heavy Duty Trucks	Light Duty Delivery	Locomotives	Ships	Hydrogen Production GW	Total to 2030	Avg per year
Units	3 700 000	45 000	500 000	5 700	600	80		
Loading g/unit	15	80	30	300	900	0.10		
Ozs Pt	1 726 229	111 972	466 548	53 187	16 796	248 826	2 623 558	262 356
China								
Units	1 000 000	11 600	700 000	6 000	800	80		
Loading g/unit	15	80	30	300	900	0.10		
Ozs Pt	466 548	28 864	653 168	55 986	22 394	248 826	1 475 786	147 579
Japan								
Units	800 000	1 200	400 000	2 000	300	20		
Loading g/unit	15	80	30	300	900	0.10		
Ozs Pt	373 239	2 986	373 239	18 662	8 398	62 206	838 730	83 873
Other (Brazil, India, S Africa, Korea, SE Asia)								
Units	500 000	15 000	500 000	2 000	300	20		
Loading g/unit	15	80	30	300	900	0.10		
Ozs Pt	233 274	37 324	466 548	18 662	8 398	62 206	826 413	82 641
Separately - Hyundai and Nikola H/Duty								
Units	500 000	30 000						
Loading g/unit	15	80						
Ozs Pt	233 274	74 648					307 922	30 792
						TOTAL	6 072 408	607 241

Source: Sieberana Research

The hydrogen economy and fuel cell cars and trucks will see a linear demand increase of 600 Koz a year over the next 10 years on our highly conservative assumptions of 6 million passenger cars, 2.2 million light and heavy-duty trucks, 15,700 locomotives, 2,000 ships and 200 GW of H_2 generating capacity. This demand may in fact be forward loaded with light demand in the early 2020s but 1.8 Moz a year of demand by 2030 if we assume an exponential scale increase which is most likely in our view.

2.3 PGM Supply Background

South Africa produces 75% of the world's 5.4 Moz platinum annually, almost 100% of the world's 1.05 Moz rhodium and 40% of the world's 6.2 Moz palladium production. It also produces 63% of global iridium and 79% of ruthenium production. South Africa's Bushveld Complex ("BC") is host to these deposits, an igneous intrusion 300 km E-W by 200 km N-S, from the surface down to 5,000 m in depth at its centre. The BC has 90% of the world's platinum and rhodium resources and 50% of its palladium resources to a depth of 3,000 m (current technology maximum mining depth), but to 5,000 m, it has 98% of the world's platinum and rhodium resources.

(a) Major Supply Countries and Outlook

The major supply countries are South Africa, Russia, North America and Zimbabwe. The platinum, palladium, rhodium and iridium supplying countries per koz are respectively graphically illustrated against each other in Figure 6, Figure 7, Figure 8 and Figure 9.

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Figure 6: Platinum Supplying Countries

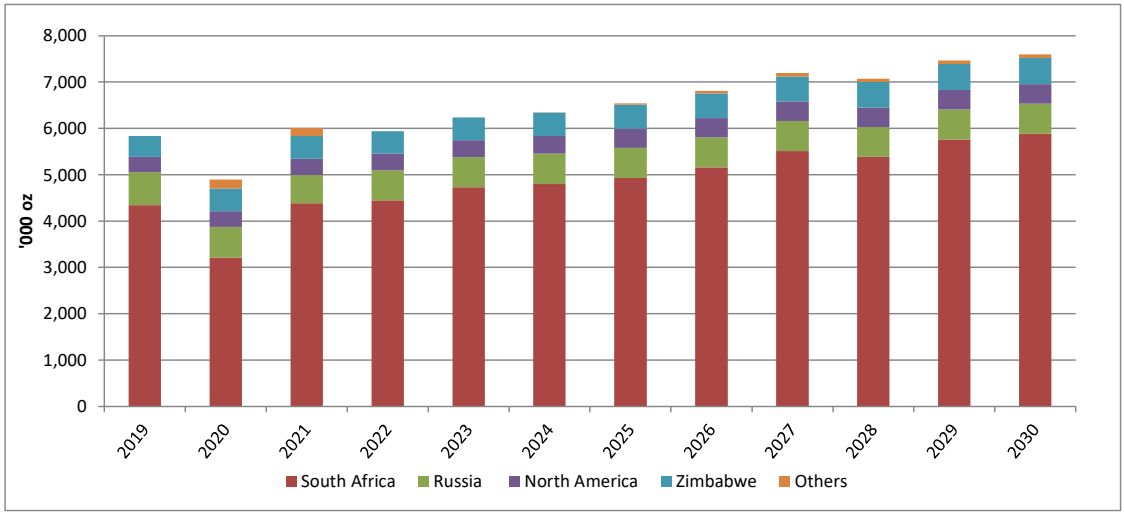

Figure 7: Palladium Supplying Countries

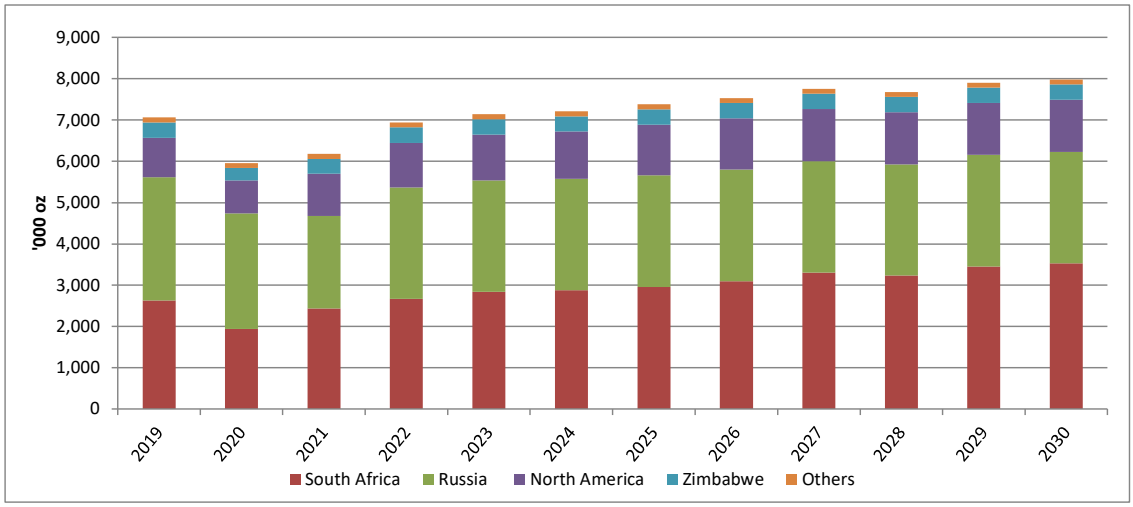

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Figure 8: Rhodium Supplying Countries

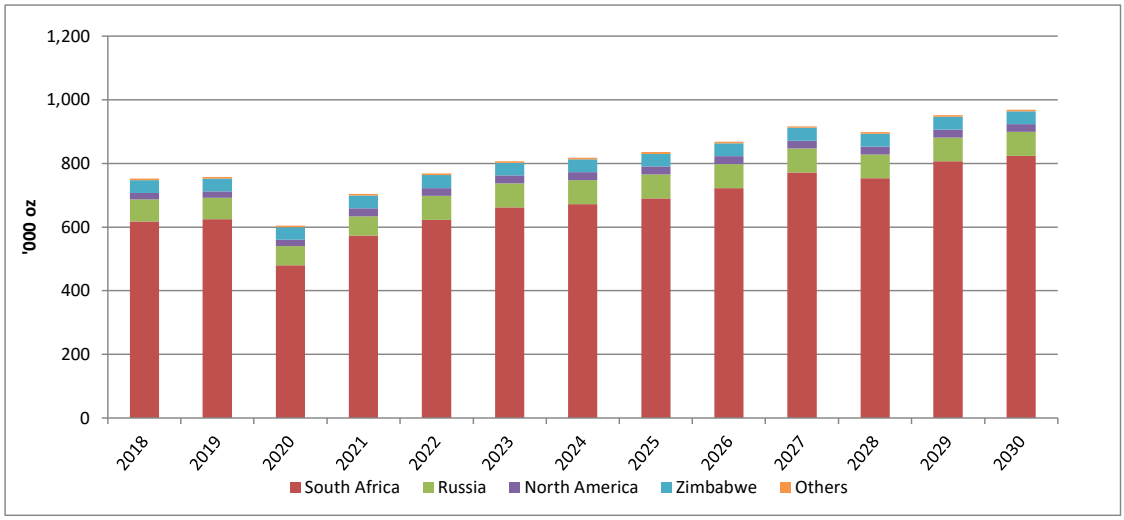
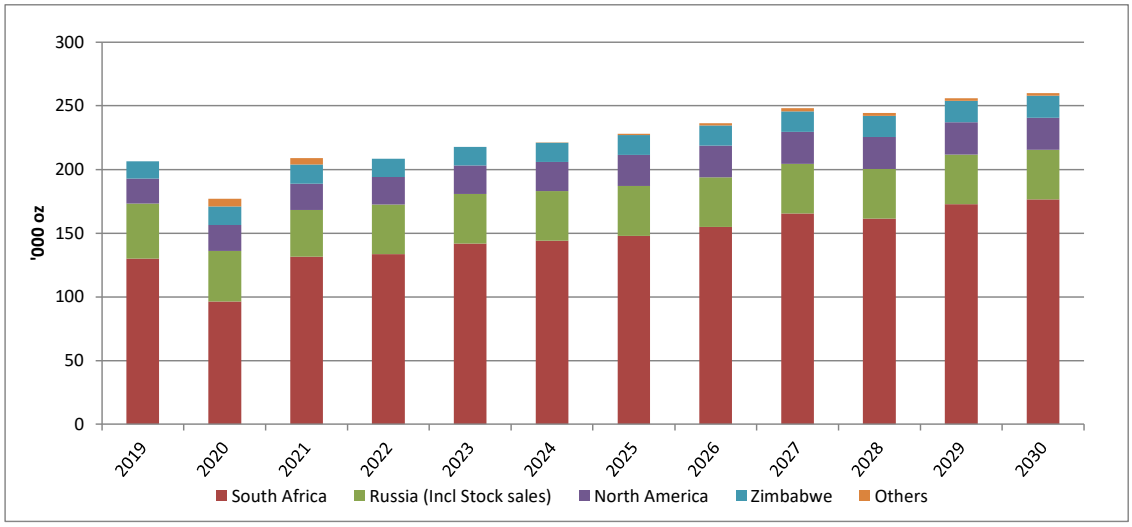


Figure 9: Iridium Supplying Countries



South Africa supplies roughly 4 Moz of platinum, 2.5 Moz palladium and 600 Koz rhodium a year. There are very few expansion projects that have been put in place over the last five years due to the poor market conditions and perceived outlook in the previous decade. Only Northam's Booysendal project, Stillwater mine and Anglo Platinum's Mogalakwena open pit are likely to add, in aggregate, around 600 Koz of platinum and palladium by 2025. Ivanplats' Limpopo development could add supply from 2022 onwards but may find it difficult to acquire an offtake contract due to its generation of large quantities of concentrate (for which the Platreef is notorious) with excess smelting and base metals refining capacities in South Africa unable to accommodate these high volumes.

Zimbabwe produces around 500 Koz of platinum a year and because of geopolitical issues is likely to increase production at a slow rate of 3% a year despite the Great Dyke deposit lending itself to development rates of around 10% a year. The Karo project in Zimbabwe is likely to come into production in the second half of this decade, building up to 50 Koz of platinum production.

Norilsk produces around 2.7 Moz of palladium, 700 Koz of platinum and 70 Koz rhodium a year. Expansions on the South Cluster project may be put on hold as global warming induced flooding and slope stability and foundations stability issues now plague the Arctic miner. Expansion of around 600 Koz may be on hold indefinitely.

North American production increases are unlikely other than at the Stillwater mine's Blitz project of around 200 Koz of PGMs. Canada's Sudbury production is wholly by-product and unlikely to see any increase in the next decade. Impala Canada is unlikely to raise its production significantly in the near future.

(b) Recycling

Recycling can be split into autocat and that from scrap jewellery and electronics. For autocats, the general rule that works well is that one takes 45% of autocat demand eight years ago (the average age of a car that is scrapped and recycled) for autocat scrap. Other scrap is calculated on all jewellery and industrial demand 10 years ago at a recovery rate of 12%. Previously this number was 20% but has dropped in recent years to 12%. This results in total scrap of around 1.8 to 2.0 Moz a year of secondary recovery except in 2028, which is eight years after the 2020 COVid dip in car sales and sees only 1.5 Moz of secondary recovery as a result.

(c) Current Developments in Terms of New Supply and Exploration

Current developments in terms of new supply and exploration are limited and there is a dearth of exploration and possible new supply worldwide. The low hanging fruit has been taken and very few if any close-to-surface low-cost ore resources are still available.

As there are literally only five major PGMs complexes worldwide that have been discovered in the last 120 years, there is very little chance that more will be found. PGM containing complexes contain "heavy" rocks with relative densities 3.2 to 3.6 times the weight of water compared to light rocks which dominate continents (comprising granite, sandstone and gneiss) which have relative densities of 2.6x. Gravity surveys can detect this difference up to 1,000 m in depth. As the whole world has been explored (mostly by aerial surveys) for heavy rocks, it is highly likely that all heavy rocks have been drilled and new Greenfields complexes unlikely to be discovered shallower than 1,000 m.

Major new supply from a discovery is not likely. Brownfields drilling in South Africa (Southern Palladium, Jacomynspan and the Northern Limb of the BC) and Zimbabwe (Karo project) and the Julimar project in Australia, which seems to have a small rich but geologically and mining complicated orebody, is taking place on a limited basis due to the paucity of PGM bearing orebodies shallower than 1,000 m in depth worldwide.

(d) 3.4 Shaft Depth and Associated Annual Platinum Production

PGM production is mainly from underground mines and globally, roughly 4 Moz out of global platinum production of 5.4 Moz is produced from orebodies that need deep, expensive shafts, essentially all the mines to the right of RB Plat, as shown in Figure 10.

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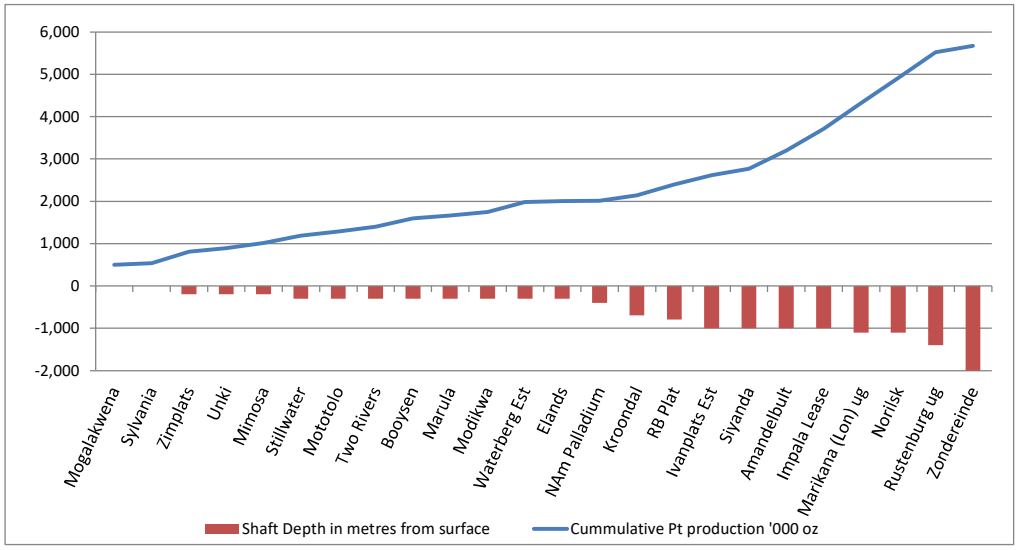
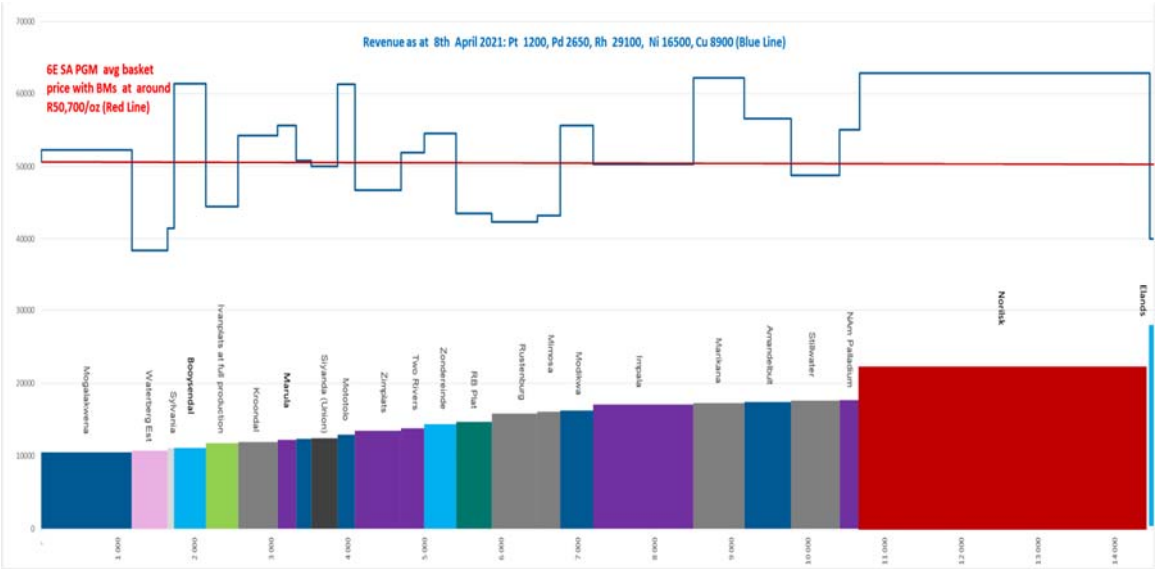
Figure 10: Mine Shaft Depths and Associated Platinum Production



Source: Sieberana Research

Around 40% of South African production is from the deeper, older mines. Should PGM prices decline, it is possible that 40% of South African production could be at risk in a worst-case scenario, though this is unlikely given our outlook for PGM prices, but the benefit to being a shallow, mechanised mine with low costs on the left-hand side of the PGM global All-In Sustaining Cost (AISC) curve is self-evident (Figure 11).

Figure 11: R/oz 6E AISC Curve of Global PGM Producers: December 2020 Results, with Spot Revenue, with All By-product Credits (Waterberg and Ivanplats are at Full Production)



Source: Sieberana Research

Opencast: Mogalakwena	Sublevel massive mining: W/Berg and Ivan Plats Bord and Pillar: Booysendal	Bord and pillar: Booysendal, Kroondal, Mototolo, Zimplats, Two Rivers, RB Plats in parts, Rustenburg SSW in parts, Mimosa Hybrid: Modikwa, Marula Dump retreatment: Sylvania	Conventional mining: Zondereinde, Rustenburg SSW, Implats, Amandelbult, Elands.	Up-dip stoping: Marikana	Cut and fill mining: Norilsk and Stillwater Conventional: Amandelbult and Elands Longhole stoping: North American Palladium

2.4 Market Outlook

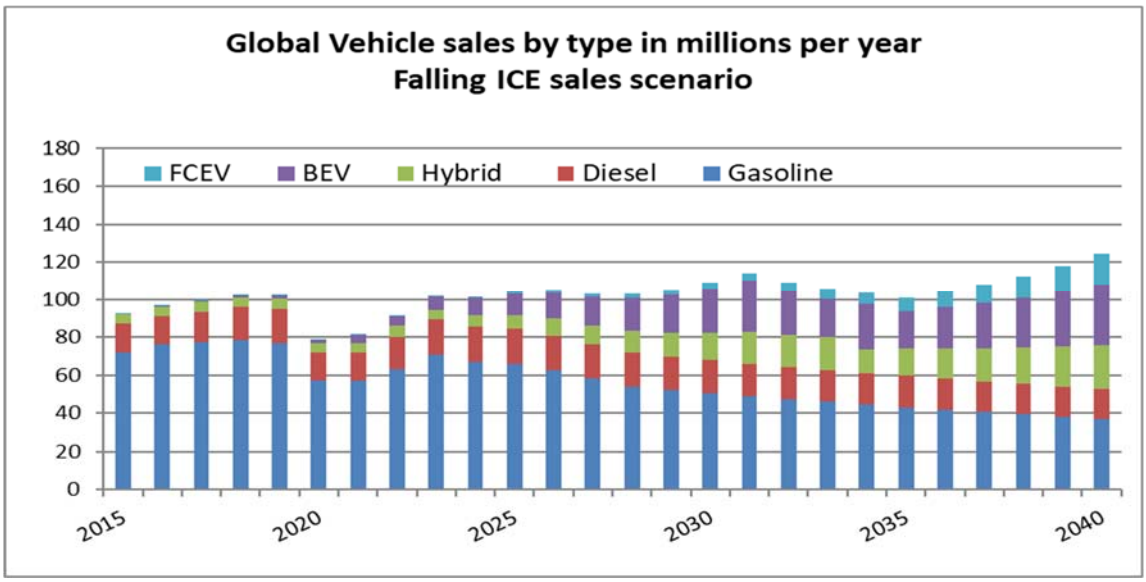
(a) 6 PGM

In our forecasts we consider numerous factors which directly affect PGM demand. These include global car sales, types of cars that will lose market share to BEVs and FCVs, highway capacities, number of cars per head population, increased loadings of autocats in diesel cars and trucks and petrol cars as new emissions legislation is implemented, thrifting of metals in autocats, loadings in fuel cells used in trucks, light delivery vehicles and cars with lower loadings as technology improves, types of cars sold (diesel, hybrid, gasolines, BEVs), global GDP forecasts, market deficit/surplus forecasts, above ground stock levels, ETF use as source of metal, percentage use of hydrocarbon fuels for energy to 2030, and global carbon neutrality percentage by 2040. These factors are fed through our well tested algorithms to produce a price forecast for each metal.

On gold we use global risk factors and their outlook in the next 12 months, which are made up of a weighted basket of the US dollar, inflation, bitcoin, and the volatility index (VIX), US GDP, US long rates, the copper price and supply/demand balance to forecast this metal.

Demand for PGMs in autocats is by far the biggest demand driver as mentioned above. Autocat demand also depends on vehicle sales and the outlook for these is therefore important in forecasting prices for the three main PGMs. Our conservative global vehicle sales scenario is that vehicles sales will decline from about 2023 onwards as more and more people work from home, public transport and Uber are used more widely and electric vehicles take away market share from gasoline driven vehicles. Despite this view, deficits are forecast to remain in place from 2023 to 2030 (Figure 12 and 13).

Figure 12: Global Vehicle Sales by Type – Falling Sales Scenario



Source: Sieberana Research

Our market analysis indicates that total PGMs (light blue bars in Figure 13) will be in deficit from 2023 onwards. In the next 2 years, because of the global supply chain disruption for semi-conductor chips, we see car sales around 80 million vehicles a year in 2021, rising to 90 million vehicles by 2022 with an oversupply of PGMs in these two years and a resultant softening of PGM prices. Thereafter, we see deficits in all PGM markets due mainly to the high autocat demand and rising demand for platinum due to the hydrogen economy.

Beyond 2030, we see sustained deficits in the market balance for the PGMs mainly due to demand from hybrid cars (Figure 12) which have far better economics than BEVs and which will need probably higher PGM loadings than the current ICEs due to the stop-start nature of their fuel saving

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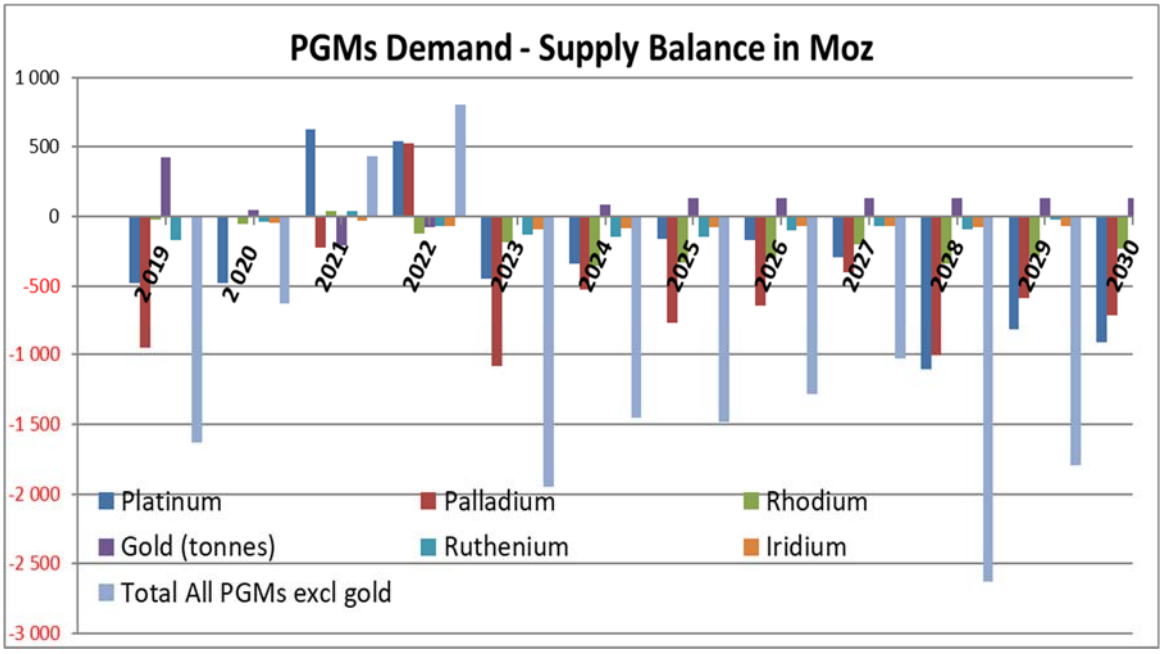
and increasingly stringent emissions legislation. And beyond 2030, global hydrogen economies will likely see massive platinum demand for hydrogen production and FCEVs, the latter of which have far better economics regarding range, fueling time and price than BEVs especially in long-haul and mining applications.

Figure 13: PGM Demand-Supply Balance



Source: Sieberana Research

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3 Company and Business Overview

3.1 Overview

The Company is a public company limited by shares, incorporated in Australia and registered in New South Wales under the provisions of the Corporations Act on 4 December 2020, with the name Southern Palladium Limited and ACN 646 391 899. The Company is domiciled in Australia.

3.2 Business overview

The Company is engaged in advanced stage platinum group minerals exploration and development through its acquisition of a 70% interest in a South African private company, Miracle Upon Miracle Investments Proprietary Limited, which acquisition will be completed immediately prior to the Listing. The remaining 30% of MUM will remain held by a company, Nurinox Investments Proprietary Limited, wholly-owned by the Bengwenyama (pronounced *Ben-gwen-yah-mah*), the local community.

All of the previous MUM shareholders will, upon implementation of the Acquisition, become Shareholders in the Company and, in the case of Nurinox, will be both a Shareholder in the Company and will retain a 30% direct interest in MUM.

MUM holds 100% of the Preferent Prospecting Right over the Properties issued under Section 104 of the South African Minerals and Petroleum Resources Development Act, 2002 (**MPRDA**), and registered as LP30/5/1/1/002PPR (**Project** or **Bengwenyama Project**).

The Company was formed in December 2020 specifically to acquire its holding in MUM, with all of the previous MUM shareholders to be Shareholders in the Company and, in the case of the Bengwenyama, being both a Shareholder in the Company and retaining a 30% direct interest in MUM.

The Directors believe that the Company provides a suitable platform both to raise the necessary financial resources and to provide and/or procure the necessary technical resources required to advance the Project in partnership with the Bengwenyama.

The Directors believe that the Project has merit and that the planned exploration program set out in Section 4 is based on reasonable assumptions. The Board, the Management and MUM have a proven track record in the minerals industry and in PGMs.

The Company does not hold any other interests in any other projects, and other than the 70% interest in MUM acquired immediately prior to the Listing, has conducted no other business and has no operations in Australia.

3.3 Corporate structure and MUM acquisition

Upon incorporation of the Company, each of the Directors, Geoff Hiller, Mike Stirzaker and Rob Thomson (through their related entities) subscribed for 250,000 new Shares each at $0.01 per Share (750,000 Shares in aggregate).

In April 2021, the Company issued 5,500,000 new Shares to sophisticated investors at $0.30 per Share to raise $1,650,000 in a pre-IPO equity raising, undertaken primarily to fund the expenses associated with preparing for the Offer process, carry out certain exploration activity in respect of the Project, and provide general working capital.

In March 2022, the Company entered into the Share Exchange Agreement pursuant to which it (or its nominee) will acquire a 70% interest in MUM shares from Nurinox Investments Proprietary Limited (**Nurinox**), also as a nominee for ZTM Brokers Closed Corporation (**Maphanga**) (Nurinox and Maphanga together the **Nurinox Parties**), Atlantic Nominees Proprietary Limited, also as nominee for a number of beneficial shareholders (**Atlantic**) (Atlantic and other beneficial shareholders together the **Atlantic Parties**), Annette Lilian Segall (**Segall**), David Leibowitz

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(**Leibowitz**), Spitzkoppe Trust and Legacy Platinum Inc (**Legacy**) (together, the **Vendors**) (**Acquisition**).

Under the terms of the Share Exchange Agreement, the Company (or its nominee) will acquire all of the 37,920 MUM shares registered in the name of Atlantic (being 34.94% of the issued share capital of MUM), all of Legacy's 8,529 MUM shares (being 7.86% of the issued share capital of MUM), all of Segall's 2,065 MUM shares (being 1.9% of the issued share capital of MUM), all of Leibowitz's 2,365 MUM shares (being 2.18% of the issued share capital of MUM), all of Spitzkoppe Trust's 6,650 MUM shares (being 6.13% of the issued share capital of MUM) and 18,441 MUM shares registered in the name of Nurinox (being 16.99% of MUM). Nurinox will retain 32,559 MUM shares (being 30.0% of the issued share capital of MUM).

MUM and Nurinox were incorporated in 2007 and 2009, respectively, and are domiciled in South Africa. Nurinox is 100% owned by the Bengwenyama and acts as a holding company for the Bengwenyama's interest in the Project. MUM has one asset: the Project. It does not carry out any other business or have any other material assets.

The total consideration for the Acquisition will comprise 45,500,000 New Shares (**Consideration Shares**) priced at US$3.15 million payable to the Vendors as follows:

- The Atlantic Parties: 22,711,068 Shares priced at US$1,572,300;
- Legacy: 5,108,194 Shares priced at US$353,643;
- Segall: 1,236,772 Shares priced at US$85,622;
- Leibowitz: 1,416,448 Shares priced at US$98,061;
- Spitzkoppe Trust: 3,982,822 Shares priced at US$275,733; and
- The Nurinox Parties: 11,044,696 Shares priced at US$764,630, comprised of 8,327,394 Shares held by Nurinox priced at US$576,510 and 2,717,302 Shares held by Maphanga priced at US$188,120.

50% of the Consideration Shares (**Clawback Shares**) may be clawed back by the Company for a nominal sum ($50) and then cancelled in the event that certain project milestones are not achieved within four years of the date of the IPO (**Clawback**).

The project milestones are:

- achieving at least 2 million oz PGE (4E) in JORC classified reserves (**First Project Milestone**); and
- the acceptance by the Regional Manager (as contemplated in the MPRDA) of the formal application by the Company for a Mining Right over the Project, pursuant to the applicable provisions of the MPRDA (**Second Project Milestone**),

(together, the **Project Milestones**).

The Clawback will be applied upon the last to be achieved of the First Project Milestone and the Second Project Milestone or four years after the date of the IPO, whichever occurs first. The four possible outcomes will each have the following impact:

- if the Project Milestones are achieved, there will not be any Clawback of Shares;
- if the Second Project Milestone has been achieved and the JORC classified reserves are between 1 and 2 million oz PGE (4E) then the number of Clawback Shares that are subject to the Clawback will be proportionally reduced on a straight line basis by the shortfall between the actual PGE (4E) reserves and 2 million oz;
- if the Second Project Milestone has been achieved and the JORC classified reserves are less than 1 million oz PGE (4E) then all of the Clawback Shares will be subject to the Clawback and accordingly, be bought back at nominal value and cancelled by the Company; or

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- if the Second Project Milestone has not been achieved then regardless of the quantum of actual PGE (4E) reserves all of the Clawback Shares will be subject to the Clawback and will accordingly be bought back at nominal value and cancelled by the Company.

The Company may in its sole discretion determine not to apply the Clawback.

The Share Exchange Agreement also contemplates that, if required by the Nurinox Parties, the Company may provide loan(s) of up to ZAR3,500,000 (approximately A$320,000) in aggregate to the Nurinox Parties to fund the payment of South African capital gains tax that is likely to be assessed as part of the Acquisition. The key terms of these loan(s) are described at Section 10.8(e) and 10.8(f).

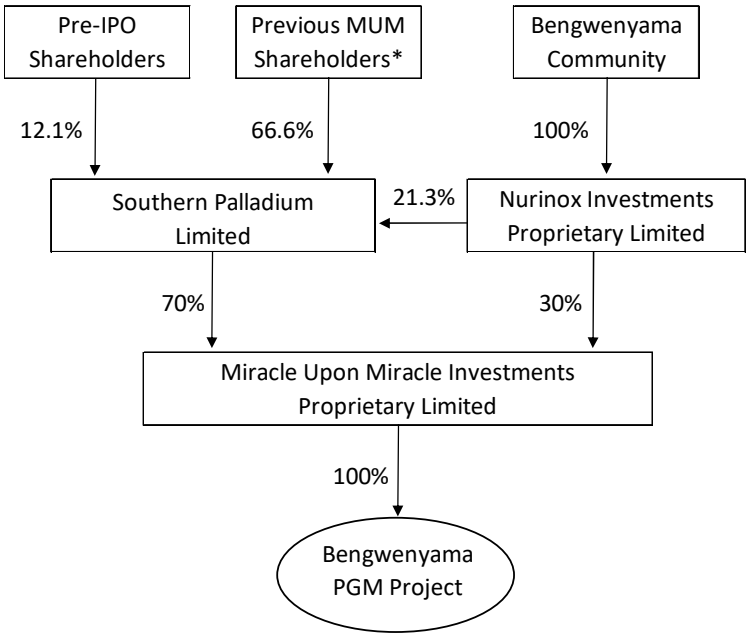
Completion of the Acquisition is expected to occur shortly before Listing and if completion of the Acquisition does not occur then the Listing will not take place. A summary of the key terms of the Share Exchange Agreement are set out in Section 10.8(a).

Prior to the IPO, and upon completion of the Acquisition, the Company proposes to:

- issue the Consideration Shares (including the Clawback Shares) to the Vendors;
- issue 1,200,000 Performance Rights in aggregate (which are rights to be issued with Shares upon the attainment of at least 2,000,000 oz of Identified PGE (4E) Reserves having been identified, comprising at least 15 million tonnes and a grade of at least 3.0 grams per tonne (**Initial Reserve Milestone**)) to the Directors: Geoff Hiller, Mike Stirzaker and Rob Thomson (or their nominees) to be split equally between them; and
- issue 3,000,000 Options to the Directors: Geoff Hiller, Mike Stirzaker and Rob Thomson (or their nominees) to be split equally between them and vesting upon IPO, having a four-year term and exercisable into Shares on a one for one basis at a 75% premium to the price of the IPO (**Series A Options**).

Summaries of the terms of the Performance Rights and the terms of the Series A Options are set out in Sections 10.3(c) and 10.3(a), respectively.

As such, the corporate structure of the Company and the Project (on an undiluted basis) following completion of the Acquisition and immediately prior to the IPO will be as shown in the diagram below.



* other than Nurinox

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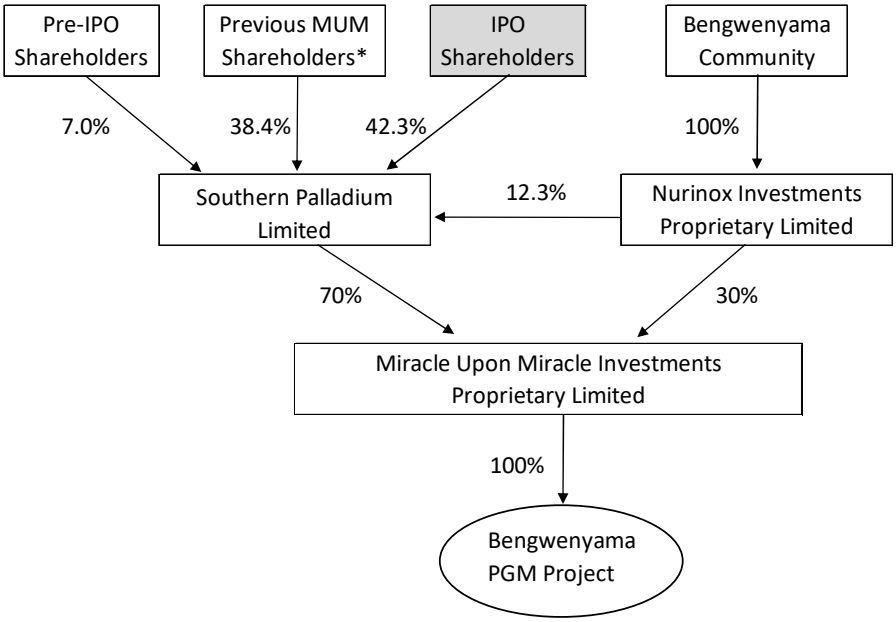
The effect of completing the Acquisition will be that all of the previous shareholders of MUM will be Shareholders in the Company and, in the case of the Bengwenyama (indirectly through Nurinox), will be both a Shareholder in the Company and have retained a 30% direct interest in MUM.

Assuming the Maximum Subscription is raised, the corporate structure of the Company and the Project (on an undiluted basis) following completion of the Acquisition and the IPO will be as shown in the diagram below.



* other than Nurinox

3.4 Exploration projects

MUM holds 100% of a preferent prospecting right issued under section 104 of the MPRDA (**Prospecting Right**) over the farms, Eerstegeluk 327KT (previously known as Eerstegeluk 322KT) and Nooitverwacht 324KT, located near the town of Steelpoort, in the Limpopo Province of the Republic of South Africa (**Properties**). The Prospecting Right was granted for an initial period of five years and was subsequently renewed on 13 February 2021 for a further period of three years ending on 12 February 2024. The Prospecting Right permits MUM to explore for platinum, palladium, rhodium, ruthenium, osmium, iridium, gold, copper, nickel, chrome, cobalt and silver.

The Prospecting Right has Department of Mineral Resources and Energy (**DMRE**) reference number LP30/5/1/1002PPR and was notarially executed and registered at the Mineral and Petroleum Titles Registration Office (**MPTRO**) on 14 September 2017 under MPTRO reference number MPT 74/2017 and the renewal was notarially executed and registered at the MPTRO on 17 May 2021 under MPTRO reference number 16/2021.

3.5 MUM Shareholders' Agreement

The Company, Nurinox and MUM entered into a Shareholders' Agreement dated 23 March 2022 (**Shareholders' Agreement**).

The Shareholders' Agreement governs the relationship between MUM and its shareholders in respect of the conduct of the business of MUM, which is principally to maintain the Prospecting Right, provide management services, undertake a bankable feasibility of the Prospecting Right, to procure funding and to enter into negotiations with third parties for the purposes of prospecting and/or mining in accordance with the terms of the Prospecting Right.

A summary of the terms of the Shareholders' Agreement is contained in Section 10.8(b).

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3.6 Relationship with the Bengwenyama

The Bengwenyama have enjoyed uninterrupted occupation of Nooitverwacht for more than a century. The Bengwenyama was dispossessed of Eerstegeluk in 1945, but successfully lodged a land claim for its formal restoration to the community.

In 2006 and the following years, the Bengwenyama engaged with various professional partners, including Minxcon, to provide technical and financial assistance for its mineral exploration and exploitation endeavours. This engagement with these professional partners took on various forms but, as it evident from the brief description below, a substantial portion of the professional support and assistance revolved around supporting the Bengwenyama in relation to the substantial litigation that occurred during the period from 2006 to 2014 in relation to the Bengwenyama's rights to be consulted and to apply for the prospecting rights over the Properties (**Historical Litigation**).

The Historical Litigation consisted of a number of discrete and inter-linked court cases involving, amongst others, the Bengwenyama, members of the Bengwenyama community, adjacent communities and various third party mining and exploration companies. A brief summary of the outcome of three of the relevant court cases is briefly set out below.

(a) Constitutional Court case

In *Bengwenyama Minerals (Pty) Ltd and Others v Genorah Resources (Pty) Ltd and Others*[1] the Constitutional Court held, amongst other things, that the granting and execution of prospecting rights is a grave invasion of a property owner's rights.

The Constitutional Court held that the purpose of consultation with landowners (being, in this case, the Bengwenyama), required by the MPRDA, was to provide them with the information necessary to make an informed decision on how to respond to the application.

The Constitutional Court, per Froneman J, concluded that Genorah Resources (Pty) Ltd (**Genorah Resources**) (to whom the prospecting right had been granted) had not consulted with the Bengwenyama as required by the MPRDA, that the decision-maker had not given the Bengwenyama a hearing or complied with the fairness requirements of the Promotion of Administrative Justice Act, 2000, and that the environmental requirements in terms of the MPRDA had not been satisfied.

Accordingly, the Bengwenyama had not been treated as required by the Constitution of South Africa. The award of prospecting rights on the Bengwenyama's land to Genorah Resources were set aside.

(b) Supreme Court of Appeal – First Case

Bengwenyama-ya-Maswazi Community and Others v Genorah Resources and Others[2], was the first of two related judgments (**First Bengwenyama SCA Case**).

In this case, the appellants were the Bengwenyama, its tribal council and MUM. The respondents were the Minister of the DMR (as it was then) (first respondent), the DMR (second respondent), two alleged representatives of the Bengwenyama (third and fourth respondents) and Genorah Resources (fifth respondent).

The Bengwenyama alleged that an application for a preferent prospecting right over the farm Nooitverwacht had been fraudulently submitted in its name by the third and fourth respondents, who had no right to speak on its behalf. The Bengwenyama asked the High Court to set aside the fraudulently obtained preferent prospecting right, which awarded joint prospecting rights to MUM *and* the Bengwenyama and to instead grant one exclusively to MUM as the Bengwenyama's rightful representative.

Genorah Resources brought a counter-application for an order declaring that MUM was not "a community" and therefore not entitled to a preferent prospecting right.

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[1] 2011 (4) SA 113 (CC)
[2] 2015 (1) SA 197 (SCA)

The High Court refused to set aside the Minister's joint award, declaring it to be justified on the facts and dismissed the counter-application on the ground that the Bengwenyama was perfectly entitled to pursue its application through a corporate vehicle.

In this appeal and cross-appeal to the SCA the principal issue was whether MUM, as a corporate entity, was entitled to a preferent prospecting right.

The SCA held that the question was not whether MUM was entitled to a preferent prospecting right but whether the community was entitled to it, using MUM as a vehicle. In this regard, section 104(2) had to be purposefully interpreted to facilitate the Bengwenyama's participation in the mining industry, which in turn required outside technical and financial assistance. Since the Bengwenyama had overwhelmingly endorsed using MUM as a vehicle for the acquisition of a preferent prospecting right, MUM's application was in substance one by the Bengwenyama itself. Though the question whether the requirements of section 104(2) of the MPRDA were met depended in part on the extent of the Bengwenyama's shareholding in MUM, the Bengwenyama's interests were adequately protected by the proposed amendment to the Shareholders' Agreement. Accordingly, the Minister's decision was set aside and replaced with one awarding MUM the preferent prospecting right, subject to the suggested amendment of the Shareholders' Agreement.

(c) Supreme Court of Appeal – Second Case

Bengwenyama-ya-Maswazi Community and Others v Genorah Resources (Pty) Ltd and Others[3] was the second of the two related judgments.

In this case, the appellants were the Bengwenyama, its tribal council and MUM. The respondents were the Roka Phasha community (second respondent), its traditional council (third respondent) and its corporate vehicle, Genorah Resources (first respondent). The Minister was cited as fourth respondent.

The Bengwenyama and the Roka Phasha community had lodged competing applications for a preferent prospecting right over the farm Eerstegeluk. The Minister granted the Roka Phasha/Genorah Resources application and refused the Bengwenyama/MUM application.

The Bengwenyama, claiming that it was the rightful owner of Eerstegeluk and hence entitled to a preferent prospecting right over it, asked the High Court to set aside the Minister's decision. The Bengwenyama referred the court to the Bengwenyama's historical ties to the farm and to a land claim it had lodged in respect of the farm. They complained that the Minister had refused to hear their representations, arguing that this ran counter to a Constitutional Court decision to assist the Bengwenyama. According to the Bengwenyama, the Minister and the DMR were in collaboration with Roka Phasha/Genorah Resources and biased against the Bengwenyama. The High Court reversed both the Minister's decisions on the ground that they were premised on false claims by the respondents. The High Court did not, however, grant an order awarding MUM an exclusive preferent prospecting right and instead referred the matter back to the Minister.

In the appeal and cross-appeal, the Supreme Court of Appeal held that:

- the absence of the Bengwenyama holding the registered title over the relevant land did not militate against the grant of a preferent prospecting right to MUM and a preferent prospecting right could be granted in respect of land that was 'registered or to be registered' in the name of the Bengwenyama, and there was no indication of any result except success for the Bengwenyama's land claim;
- the Bengwenyama tribal council had statutory existence and *locus standi*. It was the sole authoritative voice of the Bengwenyama community and was entitled to apply for a preferent prospecting right on its behalf;
- the Bengwenyama's interests were protected by the suggested Shareholder's Agreement between it and MUM, and the requirements of s 104(2) were met; and

[3] 2015 (1) SA 219 (SCA)

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- since the Minister and the DMR had shown bias and incompetence in making their decision, the matter would not be referred back to them and the decision of the High Court had to be replaced by one awarding a preferent prospecting right to MUM setting aside the preferent prospecting right awarded to the respondents.

The Prospecting Right was granted under the government of then President Zuma. The regulatory and related uncertainties of this period, coupled with the collapse of PGM prices, caused investors to shy away from investing in the platinum industry in South Africa which made fund raising difficult. In 2019 and early 2020, supply concerns due to the lack of infrastructure development and exploration, and an increasing focus on a global green economy led to a sharp increase in prices and renewed interest in the PGMs.

Throughout the 15 year period from 2006, Minxcon principals, Johan Odendaal, Daan van Heerden and Uwe Engelmann, have been instrumental in assisting the Bengwenyama in relation to the Project. Whilst the Company is a newly incorporated company, the Acquisition was structured so that the benefits of this long term relationship with MUM and the Bengwenyama would be maintained. This is achieved in part by Johan Odendaal assuming the role of Managing Director of the Company upon completion of the Acquisition, by Daan van Heerden being a non-executive director of the Company, and by the Company mandating Minxcon to manage the planned exploration programme to be led by Uwe Engelmann.

The Company and the Bengwenyama (via Nurinox) are partners in the Project through their respective equity interests in MUM. The Shareholders' Agreement formalises the management of the Project and ensures that the Bengwenyama's participation interests are entrenched.

3.7 Health, safety and environment

The Board has considerable experience in the management of advanced exploration, development and mining operating projects in many parts of the world, including in South Africa. The Board will bring its collective experience to ensuring as far as is reasonably possible that the Company will conduct its activities to a high health and safety standard in order to protect its employees, contractors and the communities it operates in. Detailed policies and procedures will be developed and implemented with the progression of the Project. In addition, the Company will seek to conduct its activities to a high standard of environmental protection and minimal harm.

The Company is committed to acting in an ethical and responsible way that is in the interest of all stakeholders, including its employees, Shareholders, other stakeholders and the communities where it operates.

MUM takes steps to ensure that every practical and reasonable measure is taken to eliminate workplace injuries and health risks. Both the Company and MUM are committed to a code of conduct that meets legal and ethical expectations and strict policies and practices are maintained to reinforce the Group's commitment to good governance.

Further details of the code of conduct and other relevant governance policies are set out in Section 8.6 of this Prospectus.

3.8 Growth strategy

The Company's strategy is to advance the Project through further exploration and technical and financial studies, with the aim of completing a pre-feasibility study for an operating PGM mine and submitting the application for a mining right within two years from the date of the Listing. The work will include a drilling programme of approximately 25,000m in the first year after the Listing, with further activities described in Section 4. The Listing will provide the Board with the ability to raise the funds required for exploration activities and to swiftly identify and secure strategic exploration and resource assets.

3.9 BEE in South Africa

Broad Based Black Economic Empowerment (**B-BBEE**) is a policy of the South African government, the purpose of which is to, amongst other things, address the racial imbalances and inequalities that occurred in South Africa prior to 1994 and promote and stimulate economic growth and employment in South Africa, as a result of past economic inequality.

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In the mining industry, the implementation of B-BBEE is governed by the MPRDA, which includes as part of its stated objectives (i) promoting equitable access to the nation's mineral and petroleum resources to all the people of South Africa; (ii) substantially and meaningfully expanding opportunities for historically disadvantaged persons, including women, to enter the mineral and petroleum industries and to benefit from the exploitation of the nation's mineral and petroleum resources; and (iii) promote employment and advance the social and economic welfare of all South Africans.

The objectives of the MPRDA in relation to B-BBEE are principally achieved through the South African Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, published by the Minister of the DMRE in terms of section 100 of the MPRDA (**Mining Charter**). The most recent version of the Mining Charter was published in 2018.

B-BBEE under the MPRDA is also achieved through section 104 of the MPRDA in terms of which local communities that hold (or will hold) the registered title to land may obtain a preferent right to prospect or mine for any mineral found under that land.

In the context of the Project, B-BBEE is therefore principally determined and achieved in terms of section 104 of the MPRDA through the Bengwenyama (as the relevant local community) holding an indirect minimum ownership interest of at least 30% in the Prospecting Right (which minimum ownership threshold, as well as the shareholder rights required to be held as part of that shareholding were established and pronounced upon by the High Court in the litigation referred to in Section 3.6 above).

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4 Project

4.1 Summary

The Project is an advanced stage exploration project focussed on PGM mineralisation on the Properties which are located on the Eastern Limb of the Bushveld Complex and south of the Anglo Platinum Modikwa property. Two economical reefs – the Merensky and UG2 reefs – occur on the Properties, which extend from surface to a depth of 1,100m over a distance of 10km. Both these reefs are primary economic deposits exploited by other platinum mining companies for PGMs and base metals in the region.

A recent compliant (JORC 2012) Inferred Mineral Resource (CSA, Stated 1 July 2021) of 18.80 Moz 3PGE+Au has been estimated for the Project. Based on the volume, grade and depth of the reefs, and the similarity with other projects and operations in the area and other parts of the Bushveld Complex, the resource is deemed to have reasonable prospects for eventual economic extraction. Based on the exploration target ranges, over and above the Inferred Mineral Resource, the project also has additional upside potential with an additional 134-201 Mt at 3.5-5.2 g/t 3PGE+Au in Exploration Target.

The reefs can be extracted from underground mining with a relatively short lead time to production, and with ore processed by means of conventional proven methods used extensively throughout the Bushveld Complex. The Properties are in close proximity to existing mining activities and assets, as well as other essential infrastructure.

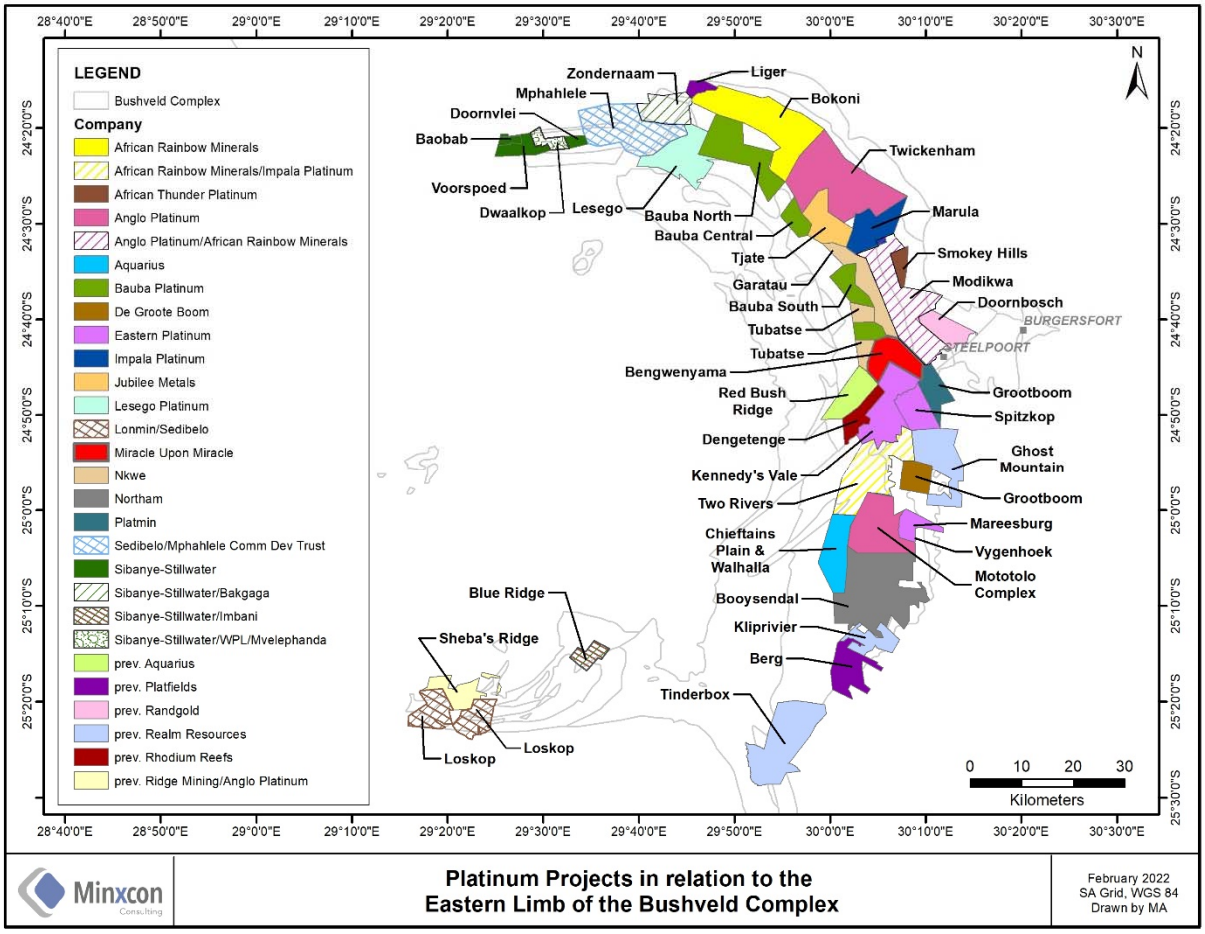

Figure 14: Bengwenyama Platinum Project Location on the Eastern Limb of Bushveld Complex

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4.2 Location and Access

The Project comprises the full extent of the Properties. At its closest point, the Project lies approximately 5 km west of the village of Steelpoort, 20 km west-southwest of the larger town of Burgersfort, and 250 km east-northeast of Pretoria. The Project has a total areal extent of 5,279.74 ha.

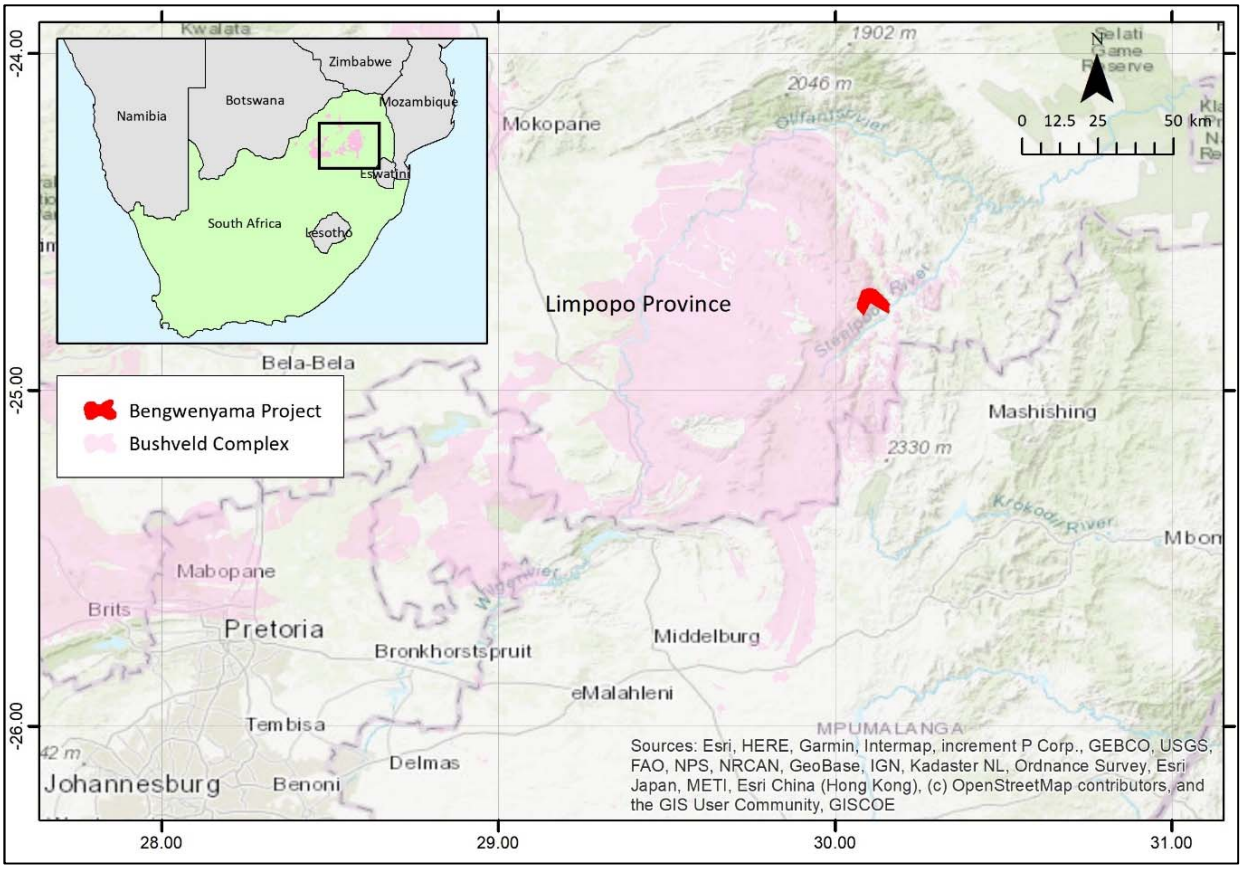

Figure 15: Regional locality map, with the extent of the Bushveld Complex indicated

The Project is accessible via a sealed (tarred) road which branches off the R555 main road that runs just to the south of the Project area. The lower elevation reaches of the Project are easily accessible by vehicle, whereas the more mountainous parts are accessible on foot. It is well serviced by existing infrastructure, with the exception of the high ground on farm Nooitverwacht 324KT. Although mining-related surface infrastructure is not yet established at the Project, the region is well serviced by mining infrastructure and labour. Grid power and reliable water sources are available for potential exploration and mining operations.

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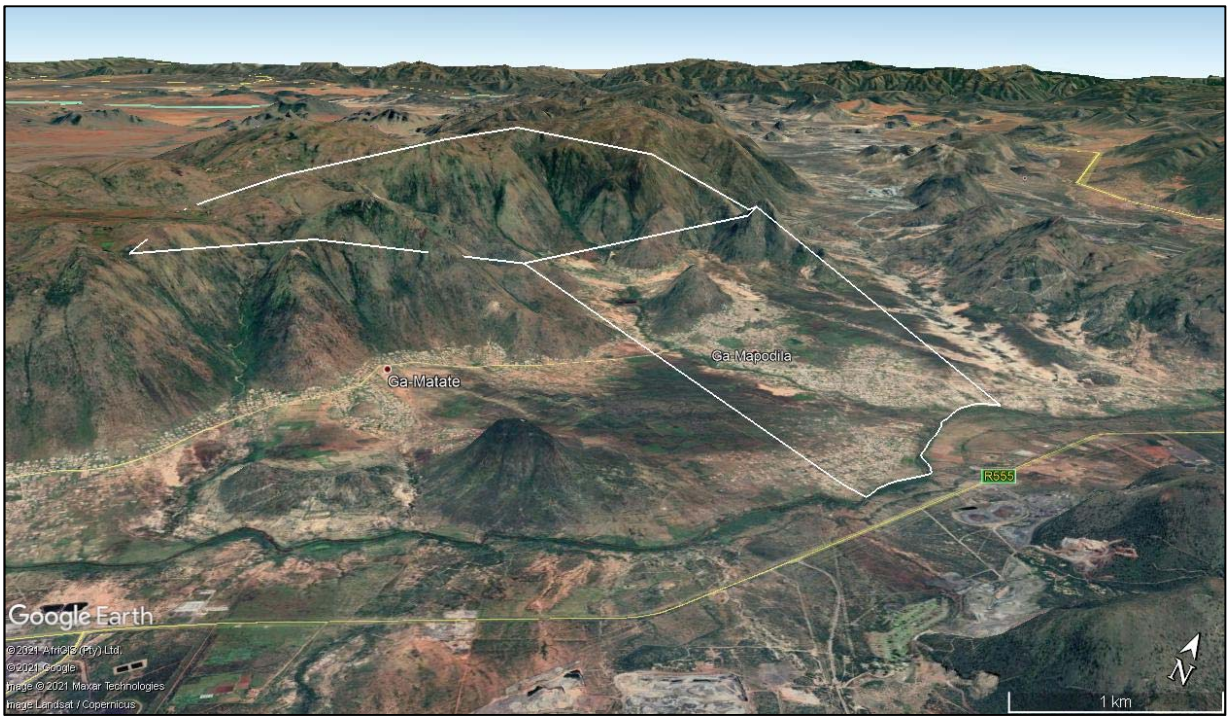

Figure 16: Northwest-facing view across Eerste Geluk (foreground) and Nooitverwacht (vertical exaggeration is 2x)

4.3 Preferent Prospecting Right

MUM was granted a Preferent Prospecting Right LP30/5/1/1002PPR over the Properties, granted in accordance with Section 104 of MPRDA on 10 June 2015, for an initial period of five years. The Preferent Prospecting Right covers PGMs, gold, copper, chrome, cobalt, silver, and nickel. Preferent prospecting and mining rights are specifically granted to local communities. A renewal was granted on 13 February 2021 and the renewed Preferent Prospecting Right is valid until 12 February 2024.

4.4 Geology

(a) Setting

The Project occurs within the Eastern Limb of the Bushveld Complex, layered igneous intrusion, which is globally the most important source of PGEs. The Bushveld Complex is characterised by significant lateral continuity of the igneous layering in the complex, with individual layers being traceable and frequently uniform for tens to hundreds of kilometres.

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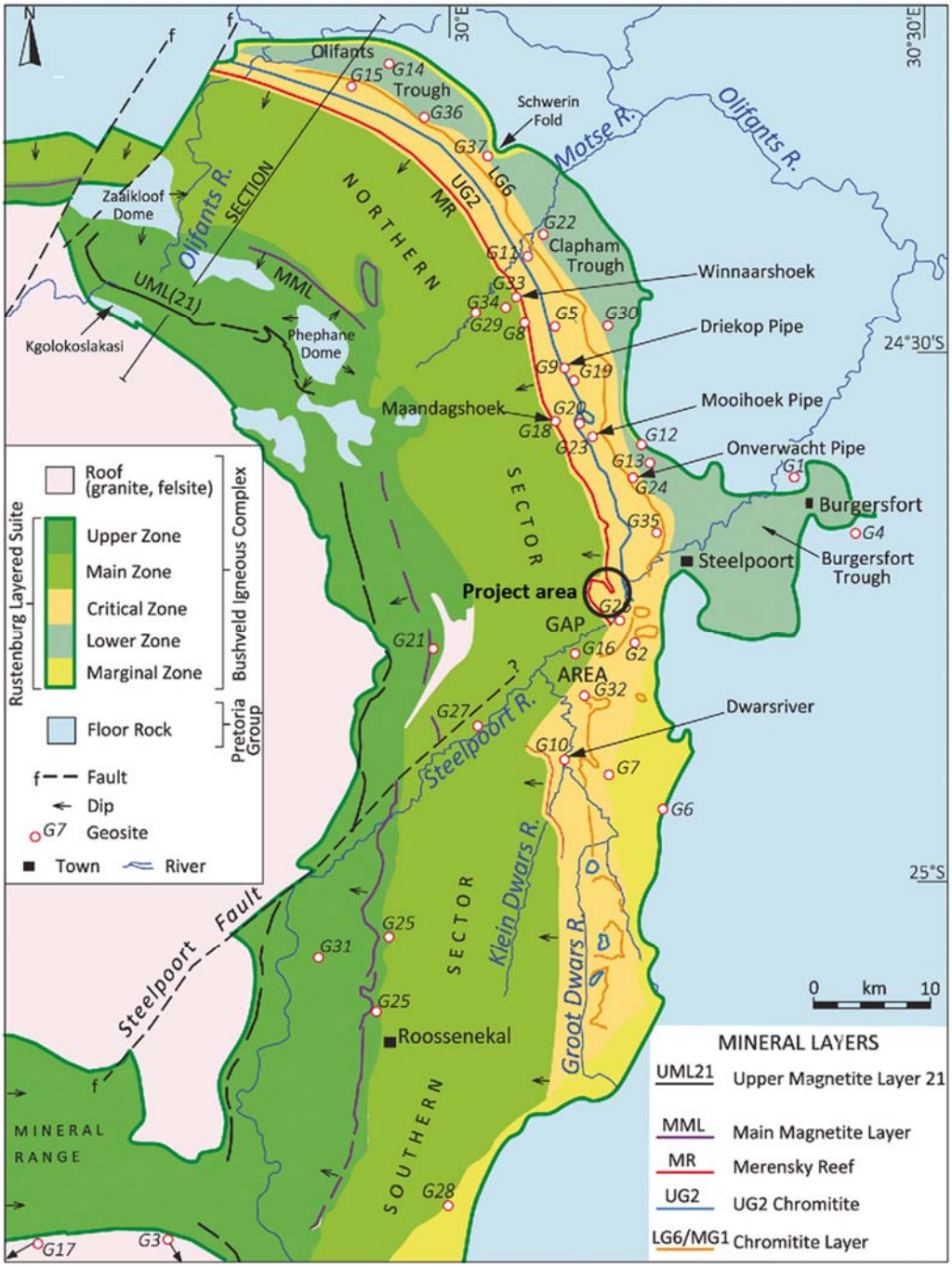

Figure 17: Generalised map of the Eastern Limb. Source: Modified from Scoon and Viljoen (2019)

The primary PGE deposit types within the Bushveld Complex are the stratiform layers (reefs) that occur within the Upper Critical Zone. These include the Merensky Reef and UG2 which are present throughout the Rustenburg Layered Suite, mineralised throughout their extent and characterised by significant lateral geological and grade continuity, with the exception of local disruptive features such as potholes, discordant iron-rich pegmatoids, dykes and faults. A subordinate, but increasingly important deposit type is those formed at the contact of the Rustenburg Layered Suite with the floor rocks.

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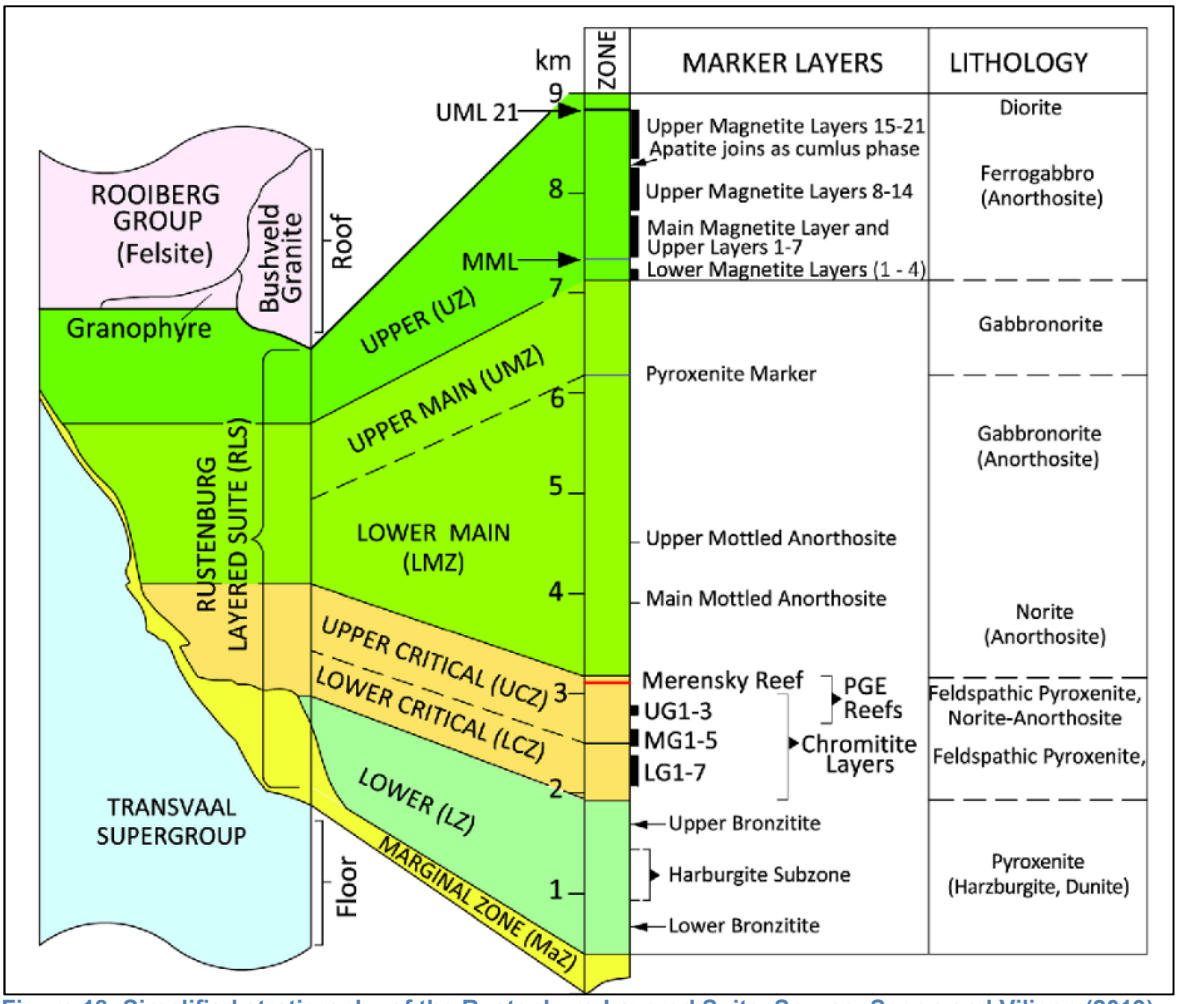

Figure 18: Simplified stratigraphy of the Rustenburg Layered Suite. Source: Scoon and Viljoen (2019)

(b) Mineralisation

Both the Merensky Reef and UG2 occur on the Project. The effects of floor rock deformation related to the diapiric rise of a large floor dome, the Steelpoort pericline, is only present on the eastern part of farm Eerstegeluk 327KT and does not impact the Mineral Resource area, and both the Merensky Reef and UG2 in the Mineral Resource area dip reasonably uniformly to the west at between 10° and 20°. Brittle faulting, related to the regional Steelpoort Fault, is present and has resulted in a series of smaller-scale faults in the Project that have raised or lowered the Merensky Reef and UG2. The UG2 at the Project ranges in thickness from 0.2 m to 1.14 m, averaging approximately 70 cm, whereas the Merensky Reef is between 0.2 m and 5.71 m thick, averaging approximately 2 m.

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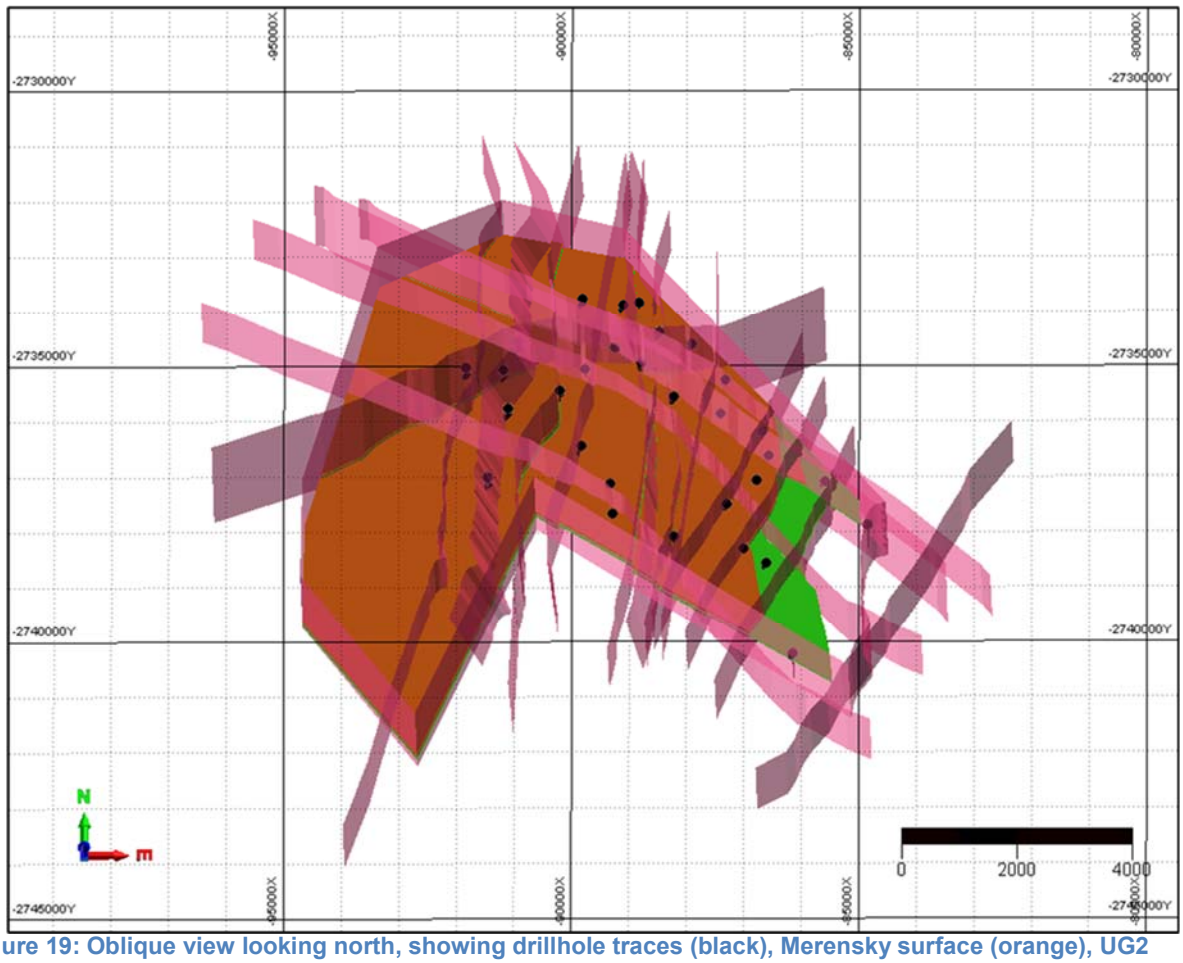

Figure 19: Oblique view looking north, showing drillhole traces (black), Merensky surface (orange), UG2 surface (green), faults and dykes (transparent red)

4.5 Previous Work

Historical drilling was undertaken by Rustenburg Platinum Mines Limited from about 1966 to 1985. Incomplete records of four drillholes are available and no reliance has been placed on these due to the incompleteness of the data. Trojan Exploration also completed some exploration on farm Eerstegeluk 327KT during the period 1990 to 1993, focused on the chromite potential at farm Eerstegeluk 327KT.

The Properties were explored by Nkwe Platinum Limited (**Nkwe**) as part of its Tubatse project. Nkwe undertook reconnaissance mapping, a geophysical interpretation and diamond drilling. A total of 30 diamond drill mother holes were drilled in 2007 and 2008, with at least 69 deflections recorded. The Nkwe disclosures were incomplete and therefore not all data from every hole is available. Assay results, thicknesses and collar positions have been reported for 21 mother holes and 52 deflections. A new aeromagnetic and radiometric survey was commissioned by MUM and completed in January 2022 over 1,425 linear km at a line spacing of 50m and average height of approximately 35-40m. This data is currently being processed for interpretation.

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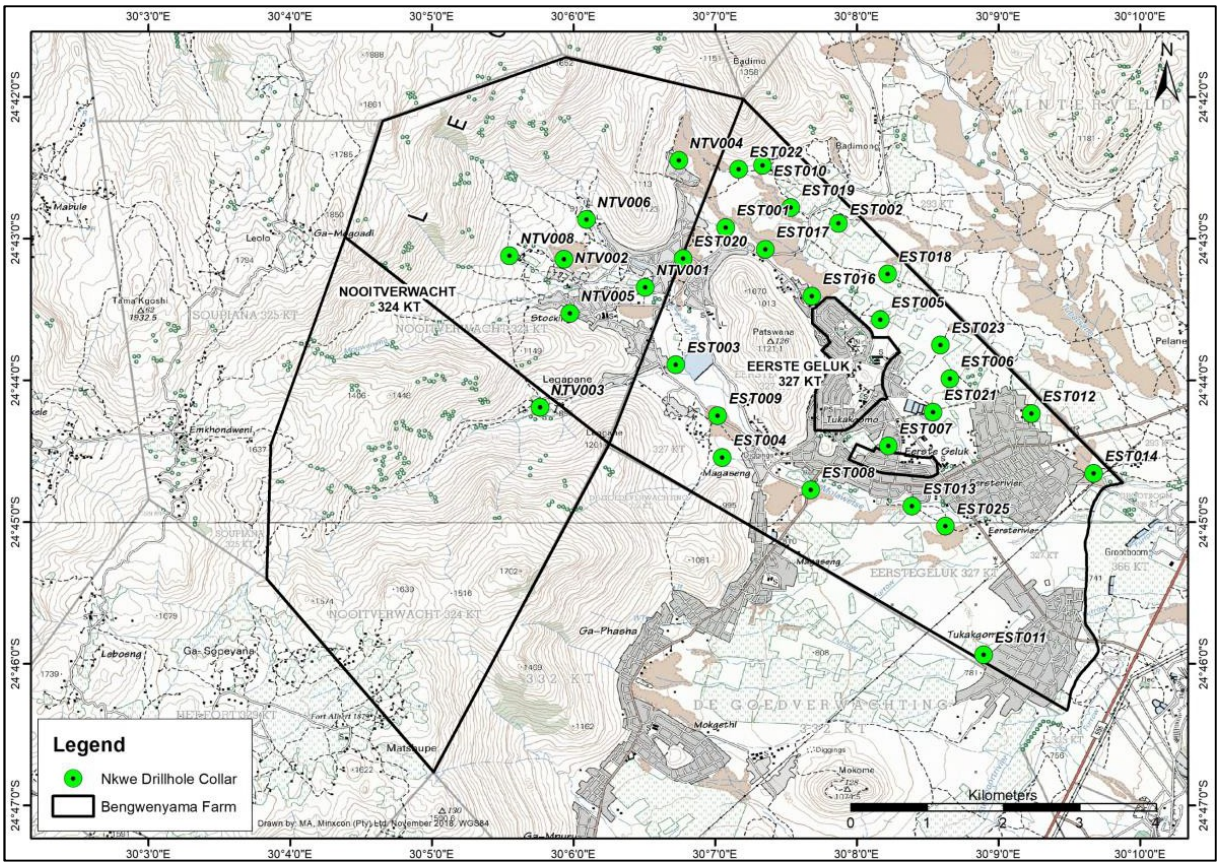

Figure 20: Nkwe drillhole collars, Nooitverwacht and Eerste Geluk

Core diameter was not reported but is likely to have been NQ (47.50-47.75 mm). Deflections, drilled by placing a wedge in the drillhole, were most likely drilled in TBW diameter (45.09-45.34 mm). Drill recovery information was also not reported, however, recovery of Bushveld core, away from fault zones or contacts with intrusive material, is expected to be high due to the competent nature of the rocks. No information about the geological or geotechnical logging method is available, but the depths to the Merensky Reef and the UG2 are considered reasonable for the location of the Project.

Original drill cores, retained sample material and the original drilling database are not available; however, a dataset from the information disclosed by Nkwe has been constructed. Drillhole collars are still present in the field and several of these have been verified on 6 June 2016 - 10 June 2016, on several occasions thereafter with potential funders and more recently with CSA site visit on 9 April 2021. Despite dataset shortcomings, the results disclosed by Nkwe and compiled by MUM are sufficiently robust to support a Mineral Resource estimation.

4.6 Exploration Potential

The Eastern Limb of the Bushveld Complex has been proven to host economic PGE deposits in both the Merensky and UG2 reefs, with numerous operations established along its extent.

Based on available Nkwe data, an Inferred Mineral Resource has been estimated on 1 July 2021 and reported on 19 April 2022 in accordance with JORC (2012). Geological losses have been applied to account for reef material lost due to faulting, dykes, and potholes.

Table 2: Mineral Resource for the Bengwenyama Project as at 01 July 2021

Resource classification	Reef	Tonnes (Mt)	3PGE+Au		Reef width (cm)
			g/t	Moz	
Inferred	UG2	33.87	7.70	8.38	71
Inferred	Merensky Reef	110.02	2.96	10.42	191
Total		**143.89**	**4.07**	**18.80**	

Notes:

- *3PGE+Au refers to platinum + palladium + rhodium + gold*

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- *Mineral Resource cut-off is 2.2 g/t 3PGE+Au for UG2 and 1.2 g/t 3PGE+Au for Merensky*
- *Basket price used for the cut-off calculation is US$1,126/oz for UG2 and US$1,270/oz for Merensky*
- *Geological losses of 17% for the UG2 and 10% for the Merensky have been applied*
- *Figures may not add up due to rounding*
- *Mineral Resources are reported as total Mineral Resources and are not attributed.*

In addition, an Exploration Target is reported which is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Table 3: Exploration Target for the Bengwenyama Project as at 01 July 2021

Category	Reef	Minimum tonnes (Mt)	Maximum tonnes (Mt)	Minimum grade (3PGE+Au g/t)	Maximum grade (3PGE+Au g/t)
Exploration Target	UG2	45	68	5.9	8.9
Exploration Target	Merensky Reef	88	133	2.2	3.4
Total		**134**	**201**	**3.5**	**5.2**

Notes:

- *3PGE+Au refers to platinum + palladium + rhodium + gold*
- *Cut-off is 2.2 g/t 3PGE+Au for UG2 and 1.2 g/t 3PGE+Au for Merensky*
- *Basket price used for the cut-off calculation is US$1,126/oz for UG2 and US$1,270/oz for Merensky*
- *Geological losses of 40% for the UG2 and 35% for the Merensky have been applied*
- *Figures may not add up due to rounding*

A dual phase drilling programme for some 38,000 m and study work are planned with the aim to upgrade the Mineral Resource classification in areas where the UG2 occurs at less than 500 m below surface. In addition, the conversion of existing Exploration Target material to Inferred Mineral Resources, is earmarked. This planned upgrade of the shallower portions of the UG2 will facilitate downstream economic studies and possibly the conversion of Mineral Resources to Ore Reserves, potentially culminating in the submission of a Mining Right Application. The progression of Mineral Resources to increasing levels of confidence is dependent on the outcome of infill drilling. Mobilisation onto the property will commence within a month following the listing and drilling soon thereafter (likely end of May early June).

4.7 Exploration Program

A diamond drilling programme over two phases is planned, targeting the current key milestones:

- Phase 1: Infill drilling of the shallowest portion of the deposit, which has been planned on a 350 m grid spacing, with the aim of upgrading the Mineral Resource confidence in this area to Indicated, to provide sufficient confidence to support downstream mining and economic studies. Provision has been made for some potential validation drilling of existing Nkwe intersections. The primary focus of Phase 1 drilling is the UG2 at depths less than 500 m (shaded area in the figure) and is concentrated on the farm Eerstegeluk 327KT. The maximum planned drillhole depth is 550m with an average depth of 288m. The drilling will start on a wider grid spacing and work toward a closer spaced grid. This will allow for changes in the drilling programme if the geological model should change significantly in the south eastern corner due to the possible domal structure.

- Phase 2: Widely spaced drilling within the Exploration Target area to potentially support upgrading this material to Inferred Mineral Resources. The wider spaced phase 2 drilling will improve the confidence in the entire project area and potentially allow for more accurate longer-term life of mine planning in the long run. This phase could also increase the value of the project with the total area possibly being upgraded to inferred. The maximum drillhole depth is estimated to be 2,040 m (due to the topography) with an average drilling depth of 932 m.

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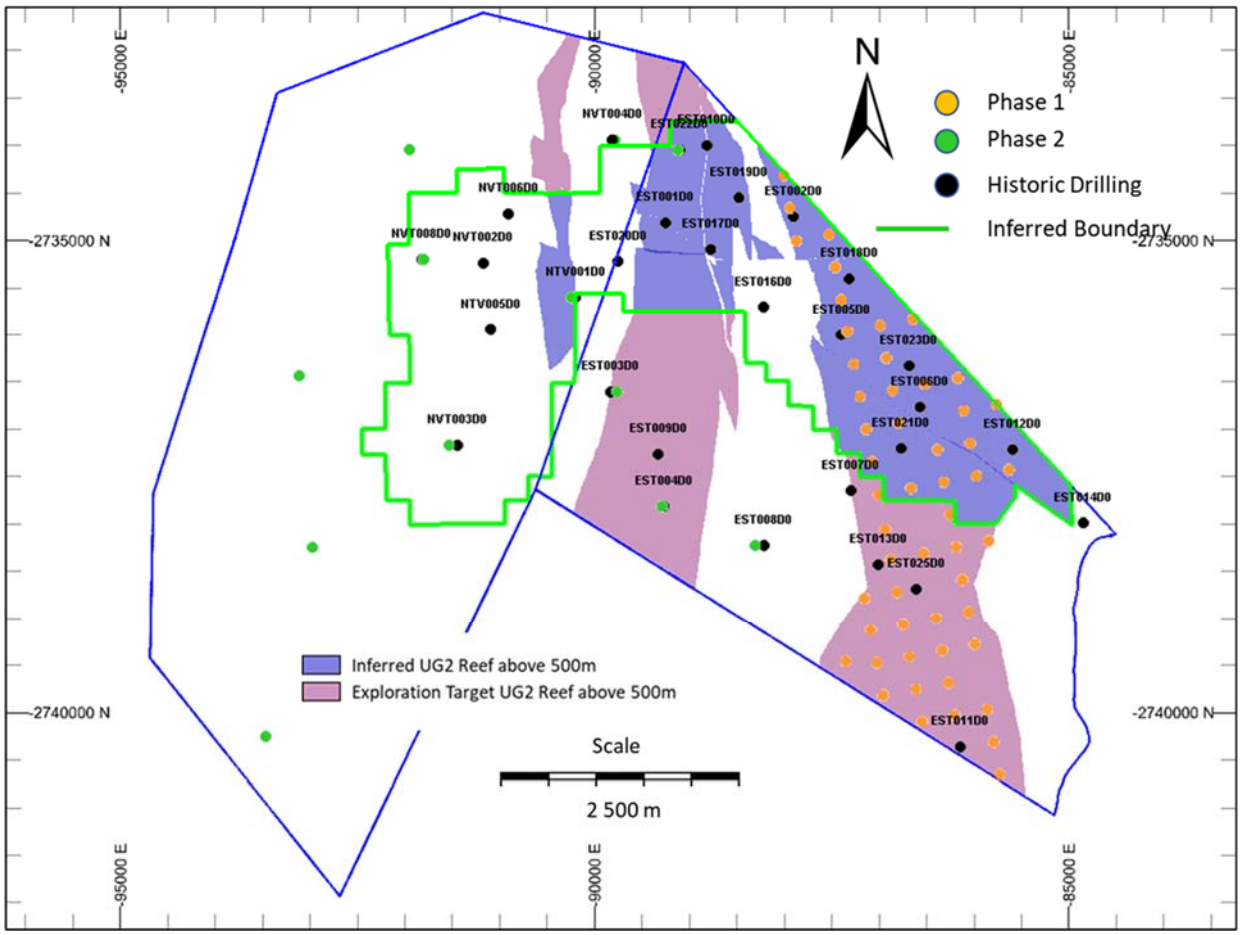

Figure 21: Planned drilling (Phase 1 and Phase 2)

A total of 63 drillholes are planned for Phase 1 over a total meterage of 24,464 m, while 12 drillholes are planned for Phase 2 over 13,582 m. The intention of the completion of the drilling programs is to facilitate an advanced study on the Project to support a Mining Right Application. Provision has been made for metallurgical testwork and statutory requirements set out by the MPRDA.

The drilling tender and adjudication process is already underway, and the drilling contractor is expected to be appointed in April 2022.

The schedule for this exploration programme is detailed in Figure 8-2. The helicopter airborne magnetic and radiometric geophysical survey was completed by NRG in the third week of January 2022. The data is being processed. The aim of the geophysical survey was to help confirm the structures of the geological model.

The logistical preparation for the drilling campaign has already begun and the drilling tender adjudication is in process. Negotiations with the Lebalelo water user association has also commenced for a non-member water use agreement for the water requirements of the drilling operations.

Phase 1 drilling will culminate in a JORC Mineral Resource Report with a concept study being completed simultaneously as phase 1 drilling. Phase 2 is planned to follow on from phase 1 if the results support this. The pre-feasibility study will follow on from the concept study and finalisation of phase 1, which should allow for the declaration of reserves which will support the lodging of the Mining Right Application. The environmental scoping study and social and labour plan will also be completed as part of the requirement for the Mining Right Application. The additional detailed studies such as the environmental studies will commence once the Mining Right has been lodged.

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ITEM	ACTIVITY	PLAN START	PLAN DURATION MONTH
1	Geophysics	1	2
2	Ph 1 Shallow Inferred Indicated Conversion	3	10
3	JORC 2012 Resource Report	12	4
4	Concept Study	6	6
5	Ph 2 Drilling Programmes Upgrade of the total Area	12	6
6	Updated JORC 2012 of total Area	17	4
7	Metallurgial testing	8	4
8	Pre-Feasibility Study and Reserve	10	12
9	JORC 2012 Reserve Report	22	3
10	Environmental Studies (Scoping Study)	14	6
11	Social and Labour Plan (Including Community Studies)	14	6
12	Mining Work Programme	20	3
13	Lodgement of Mining Right Application	23	2

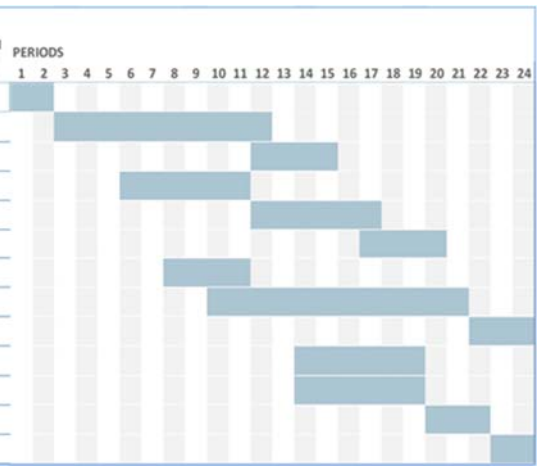

Figure 8-2: Exploration Programme Schedule to reach Project Milestones

A total project budget, inclusive of associated study work, for the exploration and project development is provided Table 8-2. The exploration programme is planned at a maximum capital raise of $19million. Provision was made for environmental expert studies following the lodgement of the Mining right application.

Table 4-4: Proposed budget of exploration and project development (A$000)

Activity	Post IPO to 30 June 22	FY23	FY24	TOTAL
Geophysics (note 1)				111
Phase 1 Drilling	1,486	6,230	-	7,717
Phase 2 Drilling	-	3,750	56	3,805
Met testing, studies, etc.	105	930	532	1,566
Total Cash Flow	1,591	10,910	588	13,199

Note:
1. This is the cost of the geophysics program that was incurred after 31 December 2021 and prior to the Prospectus Date. The program is now complete. The program was completed at a cost of $149,000.
2. In the event that only the Minimum Subscription is achieved, there will be no change to Phase 1 drilling, reports, Met testing and other studies. However, Phase 2 drilling and reports will reduce to $2,435,000.
3. Exchange rate - ZAR/AUD 11.20.

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5 Financial Information

5.1 Introduction

This Section sets out the Historical Financial Information and Pro Forma Historical Financial Information (collectively, the **Financial Information**). The basis of preparation and presentation is set out below.

The Financial Information was prepared by Management and was adopted by the Board. The Board is responsible for inclusion of all Financial Information in this Prospectus. BDO Corporate Finance (WA) Pty Ltd ("**BDO**") has prepared an Independent Limited Assurance Report in respect of the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of BDO's report, together with an explanation of the scope of the Investigating Accountant's work, is set out in Section 6.

The purpose of the inclusion of the Financial Information is to illustrate the effects of completing the Acquisition and the Offer on the Company.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Section 6.

5.2 Historical Financial Information

The Historical Financial Information for the Company set out below comprises the following:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the period from incorporation to 30 June 2021 and for the half year ended 31 December 2021 (refer Section 5.5);
- the historical Statements of Cash Flows for the period from incorporation to 30 June 2021 and for the half year ended 31 December 2021 (refer Section 5.6); and
- the historical Statement of Financial Position as at 31 December 2021 (refer Section 5.12); and

the Historical Financial Information for MUM set out below comprises the following:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 (refer Section 5.7);
- the historical Statements of Cash Flows for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 (refer Section 5.8); and
- the historical Statement of Financial Position as at 31 December 2021 (refer Section 5.9);

(collectively, referred to as the **Historical Financial Information**).

5.3 Pro Forma Historical Financial Information

The pro forma historical financial information in Section 5.12 comprises:

- the pro forma statement of financial position for the Company (including accounting for the Acquisition as an acquisition of a joint venture) as at 31 December 2021, prepared on the basis that the pro forma adjustments and subsequent events detailed in Section 5.10 had occurred as at 31 December 2021; and
- the notes to the pro forma financial information detailed in Section 5.13,

(collectively, referred to as the **Pro Forma Historical Financial Information**).

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5.4 Basis and method of preparation

The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and the accounting policies adopted by the Company as detailed in Note 1 of Section 5.13. The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and assumes the completion of the subsequent event adjustments as set out in Section 5.10 and the pro forma adjustments as set out in Section 5.11 as if those adjustments had occurred as at 31 December 2021.

The financial information contained in this section of this Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and the Australian Accounting Standards and Interpretations.

The Historical Financial Information of the Company has been extracted from the financial reports for the period from incorporation to 30 June 2021 and for the half year ended 31 December 2021. The 2021 financial report was audited by BDO Audit (WA) Pty Ltd (**BDO Audit**) in accordance with Australian Auditing Standards and an unqualified audit opinion was issued. The half year financial report for the period ended 31 December 2021 was reviewed by BDO Audit in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Company and an unqualified conclusion was issued.

The Historical Financial Information of MUM has been extracted from the financial reports for the years ended 31 December 2019, 31 December 2020 and 31 December 2021. These financial reports were audited by UHY Hellmann (SA) in accordance with International Standards on Auditing and in each year an unqualified audit opinion was issued. In the 2020 and 2021 years, an emphasis of matter, being material uncertainty related to going concern, was noted by the auditor, but this did not modify their opinion.

In relation to the Pro Forma Historical Financial Information, the JSE will require a JSE accredited auditor to prepare and sign-off on the Pro Forma Historical Financial Information on the basis that the majority interest in the target asset will constitute the sole asset of the Issuer and is vital to assess the listing entry criteria.

5.5 Historical statements of profit or loss and other comprehensive income for the Company

Southern Palladium Limited	**Reviewed* 6 months to 31 December 2021 $**	**Audited* Period ended 30 June 2021 $**
Expenses		
Administration expenses	(373.684)	(258,336)
Loss before income tax expense	(373,684)	(258,336)
Income tax expense	-	-
Net loss for the period	**(373,684)**	**(258,336)**
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	**(373,684)**	**(258,336)**
Loss for the period is attributable to owners of the Company	(373,684)	(258,336)
Total comprehensive loss attributable to owners of the Company	**(373,684)**	**(258,336)**
	(per Share)	(per Share)
Basic and diluted loss per Share	(0.06)	(0.15)**

* Refer to Section 5.4 with respect to the unqualified audit opinion and review conclusion issued by BDO Audit on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 5.13 and the Independent Limited Assurance Report in Section 6.

** The loss per share is distorted due to the necessity to calculate it based on the weighted average number of issued shares in the period, and if it were calculated using the number of issued shares at 30 June 2021, the loss per share would have been $0.04. No adjustment is required between earnings and headline earnings per share.

5.6 Historical statements of cash flows for the Company

Southern Palladium Limited	Note	Reviewed* 6 months to 31 December 2021 $	Audited* Period ended 30 June 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
GST refunds		14,011	
Payments to suppliers and employees		(261,901)	(200,650)
Net cash (used in) operating activities		(247,890)	(200,650)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issue		-	1,657,500
Share issue transaction costs		-	(94,543)
Net cash provided by financing activities		-	1,562,957
NET (DECREASE)/INCREASE IN CASH HELD		(247,890)	1,362,307
CASH AT THE BEGINNING OF THE FINANCIAL PERIOD		1,362,307	-
CASH AT THE END OF THE FINANCIAL PERIOD		**1,114,417**	**1,362,307**

* Refer to Section 5.4 with respect to the unqualified audit opinion and review conclusion issued by BDO Audit on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 5.13 and the Independent Limited Assurance Report in Section 6.

5.7 Historical statements of profit or loss and other comprehensive income for MUM

Miracle Upon Miracle Investments Proprietary Limited	Audited* Year ended 31 December 2021 Rand	Audited* Year ended 31 December 2020 Rand	Audited* Year ended 31 December 2019 Rand
Revenue	786,280		
Other operating expenses	(607,036)	(386,826)	(215,615)
Operating Profit/(Loss)	**179,244**	**(386,826)**	**(215,615)**
Investment revenue	5,025	17,649	44,732
Profit/(Loss) before taxation	**184,269**	**(369,177)**	**(170,883)**
Taxation			
Profit/(Loss) for the year	**184,269**	**(369,177)**	**(170,883)**
Total comprehensive income/(loss) for the year	**184,269**	**(369,177)**	**(170,883)**

* Refer to Section 5.4 with respect to the unqualified audit opinions issued by UHY Hellmann (SA) on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 5.13 and the Independent Limited Assurance Report in Section 6.

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5.8 Historical statements of cash flows for MUM

Miracle Upon Miracle Investments Proprietary Limited	Note	Audited* Year ended 31 December 2021 Rand	Audited* Year ended 31 December 2020 Rand	Audited* Year ended 31 December 2019 Rand
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from/(used in) operations		226,644	(428,775)	(232,901)
Interest income		5,025	17,649	44,732
Net cash from/(used in) operating activities		231,669	(411,126)	(188,169)
Total cash movement for the year		**231,669**	**(411,126)**	**(188,169)**
Cash at the beginning of the year		431,747	842,873	1,031,042
Total cash at end of the year		663,416	431,747	842,873

* Refer to Section 5.4 with respect to the unqualified audit opinions issued by UHY Hellmann (SA) on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 5.13 and the Independent Limited Assurance Report in Section 6.

5.9 Historical statement of financial position for MUM

Miracle Upon Miracle Investments Proprietary Limited	Note	Audited* 31 December 2021 Rand	Audited* 31 December 2020 Rand	Audited* 31 December 2019 Rand
CURRENT ASSETS				
Cash and cash equivalents		663,416	431,747	842,873
Trade and other receivables		482,167	29,866	27,000
TOTAL CURRENT ASSETS		**1,145,583**	**461,613**	**869,873**
NON-CURRENT ASSETS				
Exploration and evaluation assets		1,424,407	1,424,407	1,424,407
TOTAL NON-CURRENT ASSETS		**1,424,407**	**1,424,407**	**1,424,407**
TOTAL ASSETS		**2,569,990**	**1,886,020**	**2,294,280**
CURRENT LIABILITIES				
Trade and other payables		960,636	460,936	500,019
TOTAL CURRENT LIABILITIES		**960,636**	**460,936**	**500,019**
NON-CURRENT LIABILITIES				
Loans payable		2,140,994	2,140,994	2,140,994
TOTAL NON-CURRENT LIABILITIES		**2,140,994**	**2,140,994**	**2,140,994**
TOTAL LIABILITIES		**3,101,630**	**2,601,930**	**2,641,013**
NET ASSETS		**(531,640)**	**(715,910)**	**(346,733)**
EQUITY				
Contributed equity		13,059,646	13,059,646	13,059,646
Accumulated losses		(13,591,286)	(13,775,556)	(13,406,379)
TOTAL EQUITY		**(531,640)**	**(715,910)**	**(346,733)**

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* Refer to Section 5.4 with respect to the unqualified audit opinion issued by UHY Hellmann (SA) on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 5.13 and the Independent Limited Assurance Report in Section 6.

5.10 Subsequent events

The Pro Forma Statement of Financial Position reflects the following events that will occur subsequent to the Prospectus Date, and hence will also have occurred subsequent to 31 December 2021:

- In March 2022, the Company executed the Share Exchange Agreement. Upon completion of that Acquisition which will occur immediately prior to the Listing, the Company will:
  - issue 45,500,000 Consideration Shares to the Vendors which have been valued at $22,750,000 based on the Offer Price;
  - issue 3,000,000 Series A Options, vesting immediately with an exercise price at a 75% premium to the Offer Price, and with an expiry date being four years from the issue date. The Series A Options have been valued at $903,000 using the Black-Scholes option pricing model. As the Series A Options vest immediately, the full value has been expensed through accumulated losses, with a corresponding increase in reserves; and
  - issue 1,200,000 Performance Rights, which will vest on attainment of the Initial Reserve Milestone within four years of Listing. The Performance Rights have been valued at $600,000 using the Black-Scholes option pricing model, which amount will be expensed over the respective vesting periods. As the expense incurred at the pro forma date is not material, there is no pro-forma adjustment required for the issue of the Performance Rights.

5.11 Assumptions adopted in compiling the Pro Forma Statement of Financial Position

The Pro Forma Historical Statement of Financial Position shown in Section 5.12 of the Prospectus has been prepared based on the financial statements of the Company as at 31 December 2021, the subsequent events set out in Section 5.10 and the following events and transactions relating to the issue of Shares under the Prospectus:

- The issue of 34,000,000 shares at an Offer Price of $0.50 each to raise $17 million before costs pursuant to the Prospectus, based on the Minimum Subscription;
- The issue of 38,000,000 shares at an Offer Price of $0.50 each to raise $19 million before costs pursuant to the Prospectus, based on the Maximum Subscription;
- Total cash costs of the Offer are estimated to be $1,616,518 and $1,736,518 under the Minimum Subscription and Maximum Subscription respectively. The costs of the Offer that are directly attributable to the capital raising, being $1,176,572 and $1,307,193 under the Minimum Subscription and Maximum Subscription respectively, are offset against contributed equity, with the remaining costs of the Offer expensed through accumulated losses; and
- The issue of 3,478,000 or 3,638,000 options to the Lead Manager under the Minimum Subscription and Maximum Subscription respectively for lead manager advisory services, exercisable at a 75% premium to the Offer Price, with an expiry date being four years from the date of Listing. The Lead Manager options have been valued at $1,046,878 and $1,095,038 using the Black-Scholes option pricing model, under the Minimum Subscription and Maximum Subscription respectively. The issue of the Lead Manager options is considered to be a cost directly attributable to the capital raising and as such, it is reflected in the Pro Forma Statement of Financial Position through an offset to contributed equity and an increase in reserves.

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5.12 Historical and Pro-forma statements of financial position

	Note	Southern Palladium Limited Reviewed* 31 December 2021	Subsequent Events	Pro Forma Adjustments Minimum Subscription	Pro Forma Adjustments Maximum Subscription	Pro Forma Statement of Financial Position After Offer Minimum Subscription	Pro Forma Statement of Financial Position After Offer Maximum Subscription
		$	$	$	$	$	$
CURRENT ASSETS							
Cash and cash equivalents	4	1,114,417		15,383,482 [C]	17,263,482 [C]	16,497,899	18,377,899
Trade and other receivables		25,265				25,265	25,265
TOTAL CURRENT ASSETS		**1,139,683**		**15,383,482**	**17,263,482**	**16,523,164**	**18,403,164**
NON-CURRENT ASSETS							
Investment in joint venture	1(e), 5	-	22,750,000 [A]			22,750,000	22,750,000
TOTAL NON-CURRENT ASSETS		**-**	**22,750,000**			**22,750,000**	**22,750,000**
TOTAL ASSETS		**1,139,683**	**22,750,000**	**15,383,482**	**17,263,482**	**39,273,164**	**41,153,164**
CURRENT LIABILITIES							
Trade and other payables		208,746				208,746	208,746
TOTAL CURRENT LIABILITIES		**208,746**				**208,746**	**208,746**
TOTAL LIABILITIES		**208,746**				**208,746**	**208,746**
NET ASSETS		**930,937**	**22,750,000**	**15,383,482**	**17,263,482**	**39,064,419**	**40,944,419**
EQUITY							
Contributed equity	6	1,562,957	22,750,000 [A]	14,776,550 [D]	16,597,769 [D]	39,089,507	40,910,726
Accumulated losses	7	(632,020)	(903,000) [B]	(439,946) [E]	(429,325) [E]	(1,974,966)	(1,964,345)
Reserves	8	-	903,000 [B]	1,046,878 [F]	1,095,038 [F]	1,949,878	1,998,038
TOTAL EQUITY		**930,937**	**22,750,000**	**15,383,482**	**17,263,482**	**39,064,419**	**40,944,419**

* Refer to Section 5.4 with respect to the audit opinions and review conclusion issued by BDO Audit for the Company, and by UHY Hellmann (SA) for MUM, on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 5.13 and the Independent Limited Assurance Report in Section 6.

Notes for adjustments to pro forma information:

A. Represents the purchase consideration for the issue of 45,500,000 Consideration Shares (valued at $0.50 per share based on the Offer Price). This transaction will have a continuing effect. The basis for the accounting for the acquisition and the joint venture accounting going forward are detailed in Note 5 and Note 1(e) below respectively.

B. Represents the cost attributed to the issue of the Series A Options. The basis for determining this amount is detailed in Note 9 below. This transaction is a one-off and will not have a continuing effect.

C. Represents the issue of 34,000,000 shares to raise $17 million (Minimum Subscription) or 38,000,000 shares to raise $19 million (Maximum Subscription) at an Offer Price of $0.50 each before costs pursuant to the Prospectus, less the costs of the Offer under the Minimum Subscription or Maximum Subscription respectively. This transaction is a one-off and will not have a continuing effect.

D. Represents the issue of 34,000,000 shares (Minimum Subscription) or 38,000,000 (Maximum Subscription) pursuant to the Prospectus, less the costs of the Offer directly attributable to the capital raising and less the cost attributed to the issue of Lead Manager Options (based on the Minimum Subscription or Maximum Subscription respectively). These transactions are one-off and will not have a continuing effect.

E. Represents the costs of the Offer not directly attributable to the capital raising based on the Minimum Subscription or Maximum Subscription. This transaction is one-off and will not have a continuing effect.

F. Represents the cost attributed to the issue of the Lead Manager Options based on the Minimum Subscription or Maximum Subscription. This transaction is a one-off and will not have a continuing effect.

The cash and cash equivalents balance above does not account for working capital movements over the period from 1 January 2022. The operating costs of the Company for the period from 1 January 2022 until the expected Listing date is estimated to be $732,000.

5.13 Notes to and forming part of the Historical Financial Information

Note 1: Summary of significant accounting policies

a) Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Going concern

The Company's financial statements have been prepared on a going concern basis. There does not currently appear to be either any significant impact upon the financial position of the Company or any significant uncertainties with respect to events or conditions which may impact the financial position of the Company at the reporting date and subsequent.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements, are disclosed in note 1(m) below.

b) Cash and cash equivalents

For the purpose of the cash flows statements, cash and cash equivalents includes:

- cash on hand and at call deposits with banks or financial institutions; and
- investments in money market instruments with less than 90 days to maturity that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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c) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

e) Joint ventures

A joint venture (JV) is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the net assets of the arrangement.

The Company's investment in its JV is accounted for using the equity method. Under the equity method, the investment in the JV is initially recognised at cost to the Company. In subsequent periods, the carrying amount of the JV is adjusted to recognise changes in the Company's share of net assets of the JV since the acquisition date. The statement of profit or loss and other comprehensive income reflects the Company's share of the results of the operations of the JV. In addition, when there has been a change recognised directly in the equity of the JV, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the JV are eliminated to the extent of the interest in the JV. The aggregate of the Company's share of profit or loss of the JV is shown on the face of the statement of profit or loss and other comprehensive income as part of operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the JV.

When necessary, adjustments are made to bring the accounting policies in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in the JV. At each reporting date, the Company determines whether there is objective evidence that the investment in the JV is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the JV and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss and other comprehensive income. On loss of joint control over the JV, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the JV upon loss of joint control and the fair value

of the retained investment and proceeds from disposal is recognised in the statement of profit or loss and other comprehensive income.

f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

h) Loss per share

Basic loss per share is calculated by dividing:

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

i) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

j) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

k) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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l) 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 thousand dollars, or in certain cases, the nearest dollar.

m) Share based payment

Under AASB 2 Share Based Payment, the Company must recognise the fair value of shares and options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. No revision to original estimates is made in respect of options issued with market based conditions.

The Company provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using an appropriate option pricing model.

In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management use an assessment as to the probability of meeting non-market based conditions. Market conditions are vested over the period in which management assess it will take for these conditions to be satisfied.

n) Critical accounting estimates and judgements

The preparation of the financial statements requires the 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. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Employee benefits provision

There are no employee benefits expected to be settled more than 12 months from the reporting date.

Income tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the

Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Note 2: Related Party Disclosures

Transactions with related parties and Directors' interests are disclosed separately in the Prospectus.

Note 3: Commitments and Contingencies

Other than the material contracts detailed in section 10.8 of the Prospectus, the Company does not have any material commitments or contingencies.

Note 4: Cash and Cash Equivalents

	Reviewed at 31 December 2021 $	Pro forma after Minimum Subscription $	Pro forma after Maximum Subscription $
Cash and cash equivalents	1,114,417	16,497,899	18,377,899
Reviewed balance of Southern Palladium as at 31 December 2021		1,114,417	1,114,417
Pro forma adjustments:			
Proceeds from shares issued under the Offer		17,000,000	19,000,000
Costs of the Offer		(1,616,518)	(1,736,518)
		15,383,482	17,263,482
Pro forma balance		16,497,899	18,377,899

The costs of the Offer included in the above table relate only to those costs incurred and intended to be incurred subsequent to 31 December 2021. The total costs of the Offer incurred are set out in the section 10.16 of the Prospectus.

Under the terms of the Share Exchange Agreement, the Company may provide loans of up to ZAR3,500,000 (approximately $320,000) to the Nurinox Parties to fund the payment of South African capital gains tax that is likely to be assessed as part of the Acquisition. However, given it is uncertain as to whether the loans will be made, an adjustment has not been made. If the loans are made, this would not affect the net asset position of the Company as it would be reflected through a loan receivable and a decrease in cash and cash equivalents.

Note 5: Provisional Accounting for the Acquisition of MUM

The Listing is conditional upon the completion of the Acquisition.

Under the terms of the Acquisition, the total consideration will comprise 45,500,000 Shares, payable to the Vendors. 50% of the Consideration Shares may be clawed back by the Company for a nominal sum and then cancelled in the event that the Project Milestones (described in Section 3.3) are not achieved within four years from the Company's date of admission:

- achieving at least 2 million oz PGE (4E) in JORC classified reserves; and
- the acceptance by the Regional Manager (as contemplated in the MPRDA) of the formal application by the Company for a Mining Right over the Project, pursuant to the applicable provisions of the MPRDA.

The Company has considered whether the Acquisition falls within the scope of AASB 3 Business Combinations. A business combination involves an acquirer obtaining control of one or more

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businesses by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lowering costs, or providing other economic benefits directly to investors.

The Company does not consider that the Acquisition meets the definition of a business combination in accordance with AASB 3 Business Combinations as the acquired assets are not deemed to be a business for accounting purposes.

While the Company retains control of 70% of the voting shares, judgement is required to determine when the Company has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Company has determined that the relevant activities for its joint arrangement relate to the operating and capital decisions of the arrangement, such as the approval of the expenditure programme for each year. The joint arrangement is structured through a separate vehicle, namely MUM. This structure and the terms of the contractual arrangement indicate that the Company has rights to the net assets of the arrangement. Therefore, the Acquisition has been provisionally accounted for as an acquisition of a joint venture.

The fair value of the assets acquired is based on the fair value of the shares being issued as consideration for the Acquisition. The shares have been valued based on the Offer price of $0.50 per share as the Acquisition is conditional on the Listing. This may require re-determination, through an independent valuation of the assets being acquired, as at the successful acquisition date which may result in changes to the value of the investment in the joint venture.

	Fair Value
	$
Purchase consideration comprises:	
Issue of 45,500,000 Consideration Shares (valued at $0.50 per share based on the Offer price)	22,750,000
Total consideration	22,750,000
Investment in Joint Venture	**22,750,000**

For the purpose of the valuation of the total consideration, the Directors consider it is likely that the performance conditions will be met, therefore the maximum value of the consideration has been presented. If the Project Milestones are not met, up to 50% of the Consideration Shares will be clawed back and cancelled for a nominal sum. Refer to section 3.3 for further details on the Project Milestones.

Note 6: Contributed Equity

	Reviewed as at 31-Dec-21	**Pro forma after Minimum Subscription**	**Pro forma after Maximum Subscription**
	$	**$**	**$**
Contributed equity	1,562,957	39,089,507	40,910,726

	Number of shares (Minimum)	**Number of shares (Maximum)**	**$**	**$**
Fully paid ordinary share capital of the Company as at 31-Dec-21	6,250,000	6,250,000	1,562,957	1,562,957
Subsequent event:				
Issue of Consideration Shares pursuant to the MUM Acquisition	45,500,000	45,500,000	22,750,000	22,750,000
Pro forma adjustments:				
Issue of shares pursuant to the Offer	34,000,000	38,000,000	17,000,000	19,000,000
Costs of the Offer directly attributable to			(1,176,572)	(1,307,193)

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		Reviewed as at 31-Dec-21 $	Pro forma after Minimum Subscription $	Pro forma after Maximum Subscription $
the capital raising				
Issue of Lead Manager Options			(1,046,878)	(1,095,038)
	34,000,000	38,000,000	14,776,550	16,597,769
Pro forma balance	85,750,000	89,750,000	39,089,507	40,910,726

Note 7: Accumulated Losses

	Reviewed as at 31-Dec-21 $	Pro forma after Minimum Subscription $	Pro forma after Maximum Subscription $
Accumulated losses	(632,020)	(1,974,966)	(1,964,345)
Reviewed balance of the Company as at 31 December 2021		(632,020)	(632,020)
Subsequent event:			
Issue of Series A Options		(903,000)	(903,000)
Pro forma adjustment:			
Costs of the Offer not directly attributable to the capital raising		(439,946)	(429,325)
Pro forma balance		(1,974,966)	(1,964,345)

Note 8: Reserves

	Reviewed as at 31-Dec-21 $	Pro forma after Minimum Subscription $	Pro forma after Maximum Subscription $
Reserves	-	1,949,878	1,998,038
Reviewed balance of the Company as at 31 December 2021	-		
Subsequent event:			
Issue of Series A Options		903,000	903,000
Pro forma adjustment:			
Issue of Lead Manager Options		1,046,878	1,095,038
Pro forma balance		1,949,878	1,998,038

Note 9: Options and Performance Rights

Options

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The Series A Options, Series B Options and the Lead Manager Options have been valued using the Black-Scholes option pricing model. The key inputs used and the value of the options are set out in the table below:

	Series A Options	Series B Options	Lead Manager Options	
			Minimum	Maximum
Number of options	3,000,000	700,000	3,478,000	3,638,000
Underlying share price	$0.500	$0.500	$0.500	$0.500
Exercise price	$0.875	$0.875	$0.875	$0.875
Expected share price volatility	100%	100%	100%	100%
Life of the options (years)	4.00	4.00	4.00	4.00
Expected dividends	Nil	Nil	Nil	Nil
Risk-free rate	1.845%	1.845%	1.845%	1.845%
Value per option	$0.301	$0.301	$0.301	$0.301
Value per tranche	$903,000	$210,700	$1,046,878	$1,095,038

The Series A Options and the Lead Manager Options vest on issue, therefore the full value is recognised for the purpose of the pro forma statement of financial position.

The Series B Options do not vest on completion of the IPO and have time based vesting conditions, and as such, as at the pro-forma date there is no financial adjustment required for the issue of the Series B Options.

Performance Rights

The Performance Rights have been valued using the Black-Scholes option pricing model. The key inputs used and the value of the Performance Rights are set out in the table below:

	Performance Rights
Number of Performance Rights	1,200,000
Underlying share price	$0.500
Exercise price	Nil
Expected share price volatility	100%
Life of the Performance Rights (years)	4.00
Expected dividends	Nil
Risk-free rate	1.845%
Value per Performance Right	$0.500
Value per tranche	$600,000

In accordance with AASB 2 Share-based Payment, the value of the Performance Rights will be expensed over the respective vesting periods. Therefore, given that the expense incurred at the pro forma date is not material, there is no pro-forma adjustment required for the issue of the Performance Rights.

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6 Independent Limited Assurance Report and JSE Accredited Independent Reporting Accountant's Report

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SOUTHERN PALLADIUM LIMITED
Independent Limited Assurance Report

20 April 2022

BDO

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Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
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20 April 2022

The Directors

Southern Palladium Limited

Level 1, 283 George Street

Sydney NSW 2000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Southern Palladium Limited (**'Southern Palladium'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of Southern Palladium, for the Initial Public Offering of shares in Southern Palladium, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 38 million Shares at an issue price of $$0.50 each to raise up to $19 million before costs (**'the Offer'**). The Offer is subject to a minimum subscription level of 34 million shares to raise $17 million.

Southern Palladium is an Australian public company which was incorporated on 4 December 2020 for the purpose of acquiring a 70% interest in Miracle Upon Miracle Investments Proprietary Limited (**'MUM'**), a private company incorporated and domiciled in South Africa. Together, Southern Palladium and MUM are referred to as **'the Group'**.

MUM's reporting currency is the South African Rand (**'ZAR'** or **'Rand'**). Unless specified, all dollar amounts in this report are Australian Dollars.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards ('**IFRS**') and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the '**Historical Financial Information**') of Southern Palladium and MUM included in the Prospectus:

- Southern Palladium's Statement of Financial Position as at 31 December 2021 and Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the period from incorporation to 30 June 2021 and for the half year ended 31 December 2021; and
- MUM's Statement of Financial Position as at 31 December 2021 and Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 31 December 2019, 31 December 2020 and 31 December 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in IFRS and the Company's adopted accounting policies.

The Historical Financial Information of Southern Palladium has been extracted from the financial report of Southern Palladium for the period from incorporation to 30 June 2021 which was audited by BDO Audit (WA) Pty Ltd ('**BDO Audit**') in accordance with the Australian Auditing Standards and the financial report of Southern Palladium for the half year ended 31 December 2021 which was reviewed by BDO Audit in accordance with the review provisions of the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial report for the period from incorporation to 30 June 2021 and an unmodified review opinion on the financial report for the half year ended 31 December 2021.

The Historical Financial Information of MUM has been extracted from the financial reports of MUM for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 which were prepared in accordance with IFRS, and were audited by UHY Hellmann (SA) ('**UHY**') in accordance with International Auditing Standards. UHY issued an unmodified audit opinion on the financial reports.

In the audit conclusion for the years ended 31 December 2019, 31 December 2020 and 31 December 2021, UHY included an emphasis of matter relating to the material uncertainty around the ability of MUM to continue as a going concern. However, the audit opinion was not modified in respect of this matter.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the '**Pro Forma Historical Financial Information**') included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2021.

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The Pro Forma Historical Financial Information has been derived from the historical financial information of Southern Palladium and MUM, after adjusting for the effects of the subsequent events described in Section 5.10 of the Prospectus and the pro forma adjustments described in Section 5.11 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 5.13 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the events or transactions described in Section 5.10 and 5.11of the Prospectus on Southern Palladium's financial position as at 31 December 2021. As part of this process, information about Southern Palladium's financial position has been extracted by Southern Palladium from Southern Palladium's financial statements for the half year ended 31 December 2021.

3. Directors' responsibility

The directors of Southern Palladium are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Section 5 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

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Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in Section 5 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of Southern Palladium and MUM not described in the Prospectus, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offer other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO is the auditor of Southern Palladium, for which normal professional fees are received.

8. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Sherif Andrawes

Director

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FINANCIAL SERVICES GUIDE

20 April 2022

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Southern Palladium Limited (**'the Company'**) to provide an Independent Limited Assurance Report (**'ILAR' 'our Report'**) for inclusion in this Prospectus.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (**'FSG'**). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us
BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $26,000 (exclusive of GST). Additional fees received by BDO Corporate Finance (WA) Pty Ltd related to other work carried out as part of a prior engagement to prepare an ILAR was approximately $10,000 (exclusive of GST).

BDO Audit (WA) Pty Ltd is the appointed auditor of Southern Palladium Limited and receive normal professional fees for audit services provided. Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Southern Palladium for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, Level 9 Mia Yellagonga Tower 2, 5 Spring Street, Perth WA 6000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('**AFCA**'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details
You may contact us using the details set out on page 1 of our Report.

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22 Wellington Road
Parktown, 2196
Illovo, 2196
Wanderers Office Park
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Houghton, 2041
South Africa

Private Bag X60500
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South Africa

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The Directors
Southern Palladium Limited
Level 1, 283 George Street
Sydney, NSW 2000
Australia

20 April 2022

Dear Sirs

Independent Reporting Accountants' Assurance Report on the compilation of the pro forma financial information of Southern Palladium Limited ("SPD")

We have completed our assurance engagement to report on the compilation of pro forma financial information of the Company by the directors. The pro forma financial information, in Note 5.11 of the SPD Prospectus to be issued on or about 22 April 2022 ("the Prospectus"), consists of the pro forma statement of financial position and related notes. The pro forma financial information is required to be presented in terms of the Fundamental Transactions and Takeover Regulations published in terms of the Companies Act ("the Regulations") and has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements, as accepted by the Takeover Regulation Panel.

The pro forma financial information has been compiled by the directors to provide information of relevance to investors and a meaningful basis of comparison for users of the financial statements for purposes of interpreting the performance of the Company.

Directors' responsibility for the pro forma financial information
The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the Listings Requirements and described in the amplification of note announcement and as described in the notes to the financial information.

Our independence and quality control
We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility
Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature.

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: ME Stewart

A full list of all company directors is available on www.bdo.co.za

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This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

As the purpose of pro forma financial information included in the amplification of note 11.3 announcement is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion
In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the Listings Requirements, the Companies Act, the Regulations and as described in the amplification of note announcement.

Consent
This report on the pro forma financial information is included solely for the information of the Shareholders. We consent to the inclusion of our report on the pro forma financial information, and the references thereto, in the form and context in which they appear.

Yours faithfully

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

J Barradas
Director
Registered Auditor
20 April 2022

7 Risk Factors

An investment in the Company is subject to risk factors specific to the Company and its business activities, as well as more general risks (including risks associated with investing in shares). Any, or a combination, of these risks may have a material adverse effect on the Company's business, financial condition, operating and financial performance, growth and/or the value of the Shares. Many of the circumstances giving rise to these risks, as well as the associated consequences, are partially or completely outside of the Company, the Directors and Management's control.

There are general risks with any investment in the stock market and an investment in the Company carries a number of risk factors. In addition, there are a number of specific risks concerning Southern Palladium which investors should be aware of. Potential investors should be aware that an investment in the Company, with an initial focus on exploration leading to the potential for the development of a mining operation, involves many risks which may be higher than the risks associated with an investment in other companies. Some of these risk factors are largely beyond the control of the Company and the Directors because of the nature of those risks.

The following is not an exhaustive summary of the risks to which the Company is exposed but identifies the areas the Board regards as the major risks specific to an investment in the Company. Potential investors need to be aware of these risks as they may in the future materially affect the financial performance of the Company and the value of the New Shares to be issued under this Prospectus. Potential investors should read the whole of this Prospectus in order to appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for the New Shares.

The selection of risks in this Section 7 has been based on an assessment of both the probability of the risk occurring and the impact of the risk if it did occur. This is based on the Directors' knowledge as at the Prospectus Date. However, there is no guarantee or assurance that the importance, probability or potential impact of the risks will not change or that other risks will not emerge.

Potential investors should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Prospectus. Potential investors should also consider that the investment in the Company is speculative and you should also seek their own professional advice in relation to the risks associated with an investment in the Company and should make their own assessment as to investing in the Company.

7.1 Specific risk factors

(a) Exploration and development

The future value of the Company will depend on its ability to develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

Although the Directors in their individual capacities have had prior exploration and mining experience, the Company has not had any other involvement in exploration or mineral producing tenements. There is no assurance that commercial quantities of PGMs and/or PGE (4E) will be discovered at the Project or any future tenements, nor is there any assurance that the exploration or development programs of the Company will yield any positive results.

Exploration activities are speculative in nature and require substantial expenditure on exploration surveys, drilling and sampling as a basis on which to establish the presence, extent and estimated grade of mineralised material. Exploration projects involve many risks and are frequently unsuccessful. Even if significant mineralisation is discovered it may take additional time and further financial investment to determine whether Ore Reserves and/or Mineral Resources exist to support a development decision and to obtain necessary ore

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body knowledge to assess the technical and economic viability of mining projects. During that time, the economic viability of the Project (or other resource assets) may change due to fluctuations in factors that affect both revenue and costs, including metal prices, foreign exchange rates, the required return on capital, regulatory requirements and future cost of development and mining operations.

Substantial expenditures are required when seeking to establish whether Mineral Resources or Ore Reserves can be defined and to construct mining and processing facilities. The industry in which the Company is involved is subject to domestic and global competition, business and commodity cycle volatility and the de-risking of a project generally occurs as a project is advanced from exploration into studies and ultimately into production. Exploration success would lead to project studies that would need to support the continued systematic advancement towards production.

While the Company will act with reasonable care and diligence in its business decisions and operations, exploration faces inherent uncertainty and the Company will have no influence or control over the activities or actions of its competitors, which may, positively or negatively, affect the operating and financial performance of the Project and business. The exploration, project studies and any future production operations may not be successful.

There is always a risk that any exploration activity may be unsuccessful and may not result in the discovery of viable mineral deposits. The Company does not give any assurance that its current or any future exploration projects will result in exploration success. There can be no assurance that exploration of the Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit.

The Company is entirely dependent upon the Project, which is the sole potential source of future revenue. The occurrence of any one or more of these events could have a material adverse effect on the Project, the Company, its business, prospects, results of operations and financial condition.

While the Directors will make every effort to reduce the above risks through their experience in the exploration and mining industry, the fact remains that a commercially viable development success can never be guaranteed. Until the Company is able to realise value from the Project, the Company is likely to incur ongoing operating losses.

(b) **Resource and Reserve estimates risk**

As stated in the Independent Geologist's Executive Summary in the ITAR on page iii, the Independent Geologist has stated a Mineral Resources Estimate in accordance with JORC 2012, potential investors should note that this Mineral Resources Estimate is reported with 100% in the inferred resource category.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grades, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Mineral Resource Estimates are estimates only and no assurances can be given that any particular level of recovery of mineral resources will in fact be realised. Mineral Resource Estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may change significantly when new information or techniques become available. In addition, by their very nature, Mineral Resource Estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

No assurance can be given that the Mineral Resources will be recovered at the quality or yield presented or that downgrades of reserves and resources will not occur, and there is no assurance that Inferred Mineral Resource Estimates are capable of being directly reclassified as Ore Reserves under the JORC Code. The inclusion of Mineral Resource

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Estimates should not be regarded as a representation that these amounts can be converted to Ore Reserves or economically exploited, and investors are cautioned not to place reliance on Mineral Resource Estimates.

There is a low level of geological confidence associated with Inferred Mineral Resources. Whilst the Company intends to undertake exploration activities with the aim of increasing the confidence category of the Inferred Resource to Indicated or Measured Mineral Resource status, and intends seeking additional resources, no assurances can be given that the exploration will result in increasing the confidence category nor size of the resource. Where a resource is identified, no assurance can be provided that this can be economically extracted.

Unexpected exploration outcomes could affect the Group's exploration plans which in turn may affect the Company's performance.

(c) **Tenure and Title Risk**

The Group's operations in South African require approvals from various South African government regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company.

The rights to mineral permits carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the permit and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits. Mining and exploration tenements/licences are subject to periodic renewal. There is no guarantee that current or future exploration permit applications or existing permit renewals will be approved, renewed or renewed in full, and that they will be granted without undue delay, or that the Company (or the holder) can economically comply with any conditions imposed on any granted exploration permits. A failure to obtain any approval would mean that the Group may be restricted, either in part or absolutely, from exploration, development and mining activities.

Whilst the Group is satisfied that it has taken reasonable measures to ensure an unencumbered right to explore its licence areas in South Africa, they are subject to greater risks than more developed markets, including significant legal, economic and political risks. This is demonstrated by the previous experience of the Bengwenyama in enforcing their rights under the Preference Prospecting Right. Refer to Section 3.6 for more details.
The occurrence of any of these events, including another party seeking to register a right over the land subject to the Preferent Prospecting Right, could have a material adverse effect on the Group's operations, and consequently, its financial position and performance.

(d) **Accessing tenement areas**

Whilst MUM is not legally required to obtain any further authorisation to access the Properties, it has commenced negotiations with the Bengwenyama regarding the terms of a co-operation and framework agreement that will include matters relating to use of the land by MUM for exploration purposes. Notwithstanding that the Bengwenyama are equity participants in the Project, there is no guarantee that MUM will not experience issues with access to the Properties. Any difficulties with access will have a material adverse impact on the operations, and consequently, financial position and prospects of the Company.

(e) **Future funding needs**

At the date of this Prospectus, the Company has no assets currently producing income, and it will continue to incur costs until such time that the Project is in operation or upon the sale of the Project.
The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Group for the two-year period following Completion. Further funding may be required by the Company in the event that costs exceed estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to undertake further exploration activities, carry out studies, or acquire complementary assets. Accordingly, the

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Group may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Price or may involve restrictive covenants that limit the Company's operations or business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely have a material adverse impact on the potential growth of the Company.

(f) **Legal system**

The Project is located in South Africa, and as a result, the Company is subject to the risks associated with conducting business in South Africa, including those relating to taxation, royalties, tariffs, customs duties, trade barriers, difficulties in staffing and managing foreign operations, political instability, expropriation, nationalisation, war, divestment, imports, exports, currency, repatriation of capital, environmental protection, ownership and management of natural resources, labour standards, occupational health and safety and requirements for inclusion of the local population within the Company's business practices. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations could cause additional expense, restrictions or suspensions of the Company's operations and Project delays.

High levels of unemployment and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labour environments, which severely impacts the South African local economy and investor confidence, has led and may lead to further downgrades in national credit ratings, making investment more expensive and difficult to secure.

South Africa has also experienced governmental corruption to varying degrees. The Group has procedures in place to monitor compliance with anti-corruption requirements (including appropriate back-ground checks, gift registers, codes of conduct and whistle-blower policies – refer to Section 8.6), but cannot guarantee that its procedures will protect it from reckless or criminal acts committed by its personnel or others working on its behalf.

Any liability for violations of such laws could subject the Company to criminal and civil penalties or sanctions under anti compliance laws in Australia (or elsewhere) which, in turn, could adversely impact the Company's financial position.

(g) **Reliance on key personnel and relationship with Minxcon**

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its Directors, its small management team, and on its relationship with Minxcon. The Group's current services agreement with Minxcon is summarised in Section 10.8(g).

The Group relies on experienced and qualified technical staff that are mostly engaged as consultants and there is a risk that the Group may not be able to attract or to retain key staff or be able to find effective replacements in a timely manner. The continued involvement of the Directors, key employees and consultants is not assured.

The Group's success over the next two years is to a large extent dependent upon the retention of key personnel, including those persons employed by Minxcon. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry, or that the Group will be able to continue to engage the technical services provided by Minxcon on terms that will be acceptable to the Group. If such contracts were terminated, not able to be extended or renewed, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them which may not be possible if suitable candidates are not available. Furthermore, there is no guarantee the Group is able to attract, train and retain key individuals and other highly skilled employees and

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consultants. As a result, the Group's operations and financial performance would likely be materially adversely affected. There is no key person insurance policy in place, meaning that if a key employee were to cease employment, the Group may not be able to find a replacement at a reasonable cost.

(h) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in this Prospectus. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

(i) **Environmental legislation and regulations risk**

The Group's proposed activities and operations will be subject to laws and regulations relating to the environment. As with most exploration projects and mining operations, these activities and proposed operations are expected to have an impact on the environment, particularly if mine development proceeds.

Mining companies operating in South Africa are subject to environmental laws and regulations with respect to environmental matters such as: limitations on land use, prospecting and mining rights requirements; consultations with and approvals from landowners; reclamation and restoration of mining properties after mining is completed; the storage, treatment and disposal of waste; remediation of contaminated soil and groundwater; use, storage and transportation of explosives; air quality standards; transport of ore and the protection of human health, plant life and wildlife, including endangered or threatened species.

In relation to the Group's proposed activities and operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Group's exploration activities and there are consequential clean-up costs at a later point in time.

The costs associated with these laws and regulations, and possible future laws and regulations and/or changes to existing laws and regulations (including the imposition of higher taxes and mining royalties), could cause additional expense and capital expenditures. It could also cause restrictions on or suspension of the Group's operations and delays in further development at the Project or other future mining assets. Moreover, these laws and regulations may allow governmental authorities and private parties who have a substantial and direct interest in the exploration or mining operations or the consequences of the exploration or mining operations to bring lawsuits based upon damages to property and injury to persons resulting from the environmental and health and safety impacts of the Group's past and current operations. This could lead to the imposition of fines, penalties or other civil or criminal sanctions, including personal sanctions for Directors. If the Group's environmental compliance obligations in South Africa were to vary as a result of changes to the legislation, or if certain assumptions it makes to estimate liabilities are incorrect, or if unanticipated conditions were to arise in its activities and operations, the Group's expenses and provisions could increase, which could adversely affect the Group's business, financial condition and results of activities and operations.

(j) **Regulatory, political, economic and social risks (sovereign risk)**

Currently, all the Group's expected exploration activities are to occur in South Africa which has from time to time experienced political, economic and social instability. The Group may be affected by possible political, social or economic instability and the related risks, including, amongst other things, security concerns, labour disputes, government policy with respect to exploration, mining, labour, monetary and fiscal issues and fluctuations in currency exchange rates.

Changes to government laws and regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, nationalisation of property, maintenance of claims, environmental legislation, land use, land claims, water use

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and mine safety, or a combination of any of these factors could materially and adversely affect the Group's business, financial condition and results of activities and operations.

Potential risk to the Group's activities and operations may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Group's interests in South Africa. This may include changes in exchange control systems, expropriation of mining rights, changes in government and legislative and regulatory regimes.

Possible disruptions to activities and operations at the Project by members of the local community or from non-governmental organisations opposed to exploration, mining, development or foreign investment may attempt to disrupt or halt the Group's exploration or mining activities and operations. There can be no assurance that the Group will be able to obtain or maintain effective security of any of the Group's assets or personnel in South Africa or any future region or country in which it operates. If the Group is unable to maintain effective security over its assets or personnel, this could have a material adverse effect on the Group's business. In addition, the possible threat of criminal actions against the Group, in particular at its sites, facilities or on third party infrastructure, could have a material adverse effect on the Group's ability to generate revenue or adequately staff its operations, or could materially increase the cost of doing so.

Notwithstanding the efforts taken by the Group to build good relations with the Bengwenyama, who have a significant beneficial equity interest in both the Company and the Project, there can be no assurance that relations will not deteriorate in the future. It is possible that the Bengwenyama may object to the progress of the Group's initiatives or the continued activities and operations at the Project, or that they may have other unaddressed grievances and this in turn could lead to disruption of the Group's activities and operations, such as disrupted access to the Property. Such disruption could materially and adversely affect the Group's business.

(k) **COVID-19 Pandemic**

Due to the ongoing COVID-19 pandemic the global economy is facing uncertainty which may impact capital markets and share prices for some time. Any government measures in South Africa and in Australia to restrict the movement of people, including travel bans and periods of quarantine, may adversely impact the Group's exploration plans for the Project.

A future wave of COVID-19 restrictions impacting work hours, international travel and domestic travel would adversely impact the Group and its preferred contractors and its ability to undertake exploration activities and operations at site within the planned timeframe. Similarly, lockdown restrictions may cause delays to gaining approvals for mining permits and environmental licences from the relevant government agencies.

For the duration of COVID-19, the Group's work practices will endeavour to ensure the Group's employees, contractors and the local communities it works with are adopting practical personal protection to reduce transmission of the virus. If further restrictions are imposed in the future, the Group will explore options to enable its employees and contractors to travel to, and work at, the Project safely and will conduct work plans with the support of government and local communities.

(l) **Investments in developing countries are generally subject to increased risk**

Investors in the securities of issuers who are conducting business in developing countries should be aware that these investments are generally subject to greater risk than investments in the securities of issuers from more developed countries and carry risks that are not typically associated with investing in more mature markets. These risks include, but are not limited to, greater political risk, budget deficits, lack of adequate infrastructure necessary to sustain economic growth and changes in the political and economic environment. In addition, international investors' reactions to events occurring in one emerging market, country or region sometimes appear to demonstrate a 'contagion' effect, in which an entire region or class of investment is disfavoured by such investors. If such an effect occurs, South Africa could be adversely affected by negative economic or financial developments in other emerging market countries. Accordingly, prospective investors

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should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Prospective investors are urged to consult their own legal and financial advisers before making an investment decision.

(m) **No history of earnings and no production revenues**

The Company has no recent history of earnings and the Group has not commenced commercial production on the Project. There can be no assurance that the Group will be profitable in the future. The Group's operating and capital expenditures are likely to increase in line with the requirement for consultants, personnel and equipment associated with construction, commissioning, ramp up and commercial production of its activities and operations. The amounts and timing of expenditures will depend on the progress of construction activities and production ramp up.

(n) **Litigation risk**

The Group may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Project. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Group's business, reputation and financial performance. As at the Prospectus Date, the Company is not involved in, and the Board is not aware of any potential, litigation claims or proceedings.

(o) **Occupational Health and Safety**

All industries, including minerals exploration, face health and safety risks from operational activities which include, personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Group and/or key personnel and substantial losses to the Group due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Group.

The occurrence of any one or more of these events could have a material adverse effect on the Group's activities and operations and consequently financial performance.

(p) **Agents and contractors' risk**

The Group intends to outsource substantial parts of its exploration activities pursuant to services contracts with third party contractors. The Group is in the process of considering and entering into components of work and contracts with recognised South African contractors.

Such contractors may not be available to perform services for the Group, when required, or may only be willing to do so on terms that are not acceptable to the Group.

The Board is unable to predict the risk of financial failure or default or the insolvency of any of the contractors that will be used by the Group in any of its activities or other managerial failure by any of the other service providers used by the Group for any activity. Contractors may also underperform their obligations under a contract, and in the event that their contract is terminated, the Group may not be able to find a suitable replacement on satisfactory terms.

Further, performance may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency or other matters. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. These circumstances could have a material adverse effect on the Group's activities and operations.

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(q) **Bribery, Fraud and Corruption risks**

In certain jurisdictions, fraud, bribery and corruption are more common than in others. In addition, the mining industry has, in some areas, been shown to be vulnerable to corrupt or unethical practices. The Company will operate in South Africa which has been allocated a score of 44 on Transparency International's 2021 "Corruption Perceptions Index". The Company adopted a formal Bribery, Fraud and Corruption Policy in January 2022 which applies to all subsidiaries, Directors, officers, employees, consultants and contractors that work with the Group across its operations. The policy seeks to ensure that the Group operates in an ethical and transparent manner in all business dealings and that the Group has a mechanism for staff to alert Management should any issues or incidents occur. The Company will continue to review its anti-corruption procedures to ensure that they are sufficiently robust to endeavour to prevent corruption and to mitigate the risk of any member of the Group committing an offence under applicable bribery legislation. Whilst no members of the Group or Directors have been subject to fraud, bribery or corruption proceedings, there can be no guarantee that the employees and contractors engaged by the Group or its other associates will abide by these procedures and as such the Group, its Directors and employees of the Group could be exposed to criticism or prosecution under anti-bribery or similar legislation which could have a material adverse effect on its results of operations and financial condition.

(r) **Results of studies risk**

The Group will progressively undertake several studies in relation to the Project that will include mining, mineral processing, environmental, scoping and pre-feasibility, amongst others. These studies will be completed within parameters designed to determine the economic feasibility of the Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Project or the results of other studies undertaken by the Group (e.g. the results of a feasibility study may materially differ from the results of a scoping study). Even if a study confirms the economic viability of the Project, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences.

(s) **Future profitability risk**

The Project is in the advanced exploration stage at the time of Acquisition. The Group's performance will be impacted by, amongst other things, the success of its further exploration work, technical and financial studies, development of the Project and subsequent mining activities, economic conditions in the markets in which it will operate, competition factors and any regulatory and fiscal developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

(t) **Operational risks**

The activities and operations of the Group may be affected by various factors, many of which are beyond the control of the Company. The Group's activities and operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of labour, consumables, spare parts, plant and equipment, external services failure (including energy and water supply), industrial disputes and action, international trade disputes, difficulties in commissioning, ramp up and operating plant and equipment, IT systems failures, mechanical failure or plant breakdown, and compliance with governmental requirements.

The Group's business operations are subject to risks and hazards inherent in the mining exploration and mining industry that may result in damage to its property, delays in its business and possible legal liability. These risks and hazards include but are not limited to: environmental hazards and weather conditions; industrial incidents, including such that result in discharge of pollutants or hazardous chemicals, serious injury or fatality; failure of processing and mechanical equipment and other performance problems; labour force disruptions; site access disruptions; the unavailability of materials and equipment; unanticipated transportation costs or disruption; unanticipated variations in grade and other

geological problems, water conditions, surface or subsurface conditions; unanticipated changes in metallurgical performance of the ore or other processing problems; encountering unanticipated ground or water conditions and unexpected or unusual rock formations; cave-ins, pit wall failures, dam breach, flooding, rock bursts and fire; periodic interruptions due to inclement or hazardous weather conditions; and force majeure factors, epidemic, pandemic, acts of God or unfavourable operating conditions.

Any of these risks or hazards could materially and adversely affect, amongst other things, the development of the Project and Properties, production quantities and rates, and costs and expenditures, and production commencement dates.

Such risks could also result in damage to, or destruction of, mineral properties or processing facilities or other property, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability.

In the event that any of these potential risks eventuate, the Group's operational and financial performance may be materially adversely affected.

(u) **Climate change and regulation risk**

Mining of mineral resources is relatively energy intensive and is largely dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Group's cost of operations and adversely impact the financial performance of the Company. Transition risks may pose varying levels of financial and reputational risk to the Group.

Furthermore, the physical risks to the Group resulting from climate change can be event driven (acute) or longer term shifts (chronic) in climate patterns. These physical risks may have financial implications for the Company, such as direct damage to assets, indirect impacts from supply chain disruption, and a decrease in demand for minerals that might be produced from the Project.

(v) **Commodity prices and exchange rates risk**

The value of the Group's assets and potential earnings may be affected by fluctuations in commodity prices and exchange rates, such as the USD denominated PGM prices (among other commodities), the AUD/USD exchange rate and the USD/ZAR exchange rate. These prices can significantly fluctuate and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends, and domestic and international fiscal, monetary and regulatory policy settings. In the event the Group achieves development success leading to viable mining production, the Group's financial performance will be highly dependent on PGM prices and exchange rates.

(w) **Terrorist attack**

Terrorist attacks or other sustained armed conflicts, terrorist activities, anti-terrorist efforts or other armed conflict involving Australia or South Africa and their economies could cause political instability and societal disruption could reduce overall demand for minerals potentially putting downward pressure on prevailing minerals prices and adversely affect the Group's activities and operations.

(x) **Competition risk**

The industry in which the Group operates is subject to domestic and international competition, including large mineral exploration and production companies. Although the Group will take all reasonable due diligence in its business decisions and operations, the Group will have no influence and control over the activities or actions of its competitors, which activities or actions may, positively or adversely, affect the operating and financial performance of the Group.

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Some of the Group's competitors have significantly greater financial and other resources than the Group and, as a result, may be in a better position to compete in future projects. There can be no assurance that the Group can compete effectively with these competitors.

(y) **Industrial actions**

A substantial portion of the Group's operations will involve blue-collar labour, most of which belongs to trade unions or some other form of organised labour. Industrial actions such as strikes, work stoppages, slowdowns, grievances, complaints, claims, etc. impacting any of these labour groups may impact operations or result in increased costs, which may impact the Projects and operations and have a material adverse impact on the Group's financial performance and position.

7.2 General risk factors

(a) **General equity market risks**

There can be no certainty that, following Listing, an active market in the Shares will develop. In addition, Shares may trade on the ASX or JSE at a discount or premium to the Offer Price. The price at which Shares trade on the ASX or JSE may be affected by a number of factors, including the financial and operating performance of the Group and external factors over which the Group and its Directors have no control.

These external factors include actual, expected and perceived general economic conditions, changes in government policy or regulations, significant events such as natural disasters or acts of terrorism, geo-political tensions, investor attitudes, changes in taxation, movements in interest rates, movements in stock markets, and general conditions in the markets in which the Group will operate.

In addition, investors should consider the historical volatility of Australian and overseas share markets.

(b) **Economic conditions**

The performance of the Group is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below. The Directors make no forecast in regard to:

(i) the future demand for the Group's products and services;

(ii) general financial issues which may affect policies, exchange rates, inflation and interest rates;

(iii) deterioration in economic conditions, possibly leading to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Group's operating and financial performance;

(iv) the strength of the equity and share markets in Australia and throughout the world;

(v) financial failure or default by any entity with which a member of the Group is or may become involved in a contractual relationship; and

(vi) industrial disputes in Australia and overseas.

(c) **Geo-political factors**

The Group may be affected by the impact that geo-political factors have on the world or Australian economy or on financial markets and investments generally or specifically. This may include international wars, terrorist type activities and governmental responses to such activities.

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(d) **Government policies and legislation**

The Group may be affected by changes to government policies and legislation, including those relating to domestic and international taxation regimes, grants for research and development, regulation and licensing, technology companies and international incentive programs.

(e) **Black Economic Empowerment (B-BBEE)**

The Group is required (by law, general business practice or for other operational reasons) to introduce, maintain and / or alter an element of local or indigenous ownership in South Africa (**B-BBEE**) whereby B-BBEE shareholders are required to hold a significant ownership stake in MUM.

MUM must comply and remain compliant with B-BBEE requirements in South Africa to retain the Preferent Prospecting Right and any future mining rights. Any failure by MUM to satisfy and continue to satisfy the B-BBEE requirements could put at risk the Preferent Prospecting Right and also impede its ability to obtain any other approvals required for the Group to explore and develop in South Africa.

This introduces additional risks which may have an adverse impact on the Group's growth prospects, financial performance and position. Any changes to the B-BBEE requirements that businesses within the Group are subject to could impose significant costs and increased compliance obligations.

Further detail regarding the MUM B-BBEE ownership interests is set out in Section 10.4.

(f) **Liquidity**

There is currently no public market through which the Shares of the Company may be sold. There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders initially paid.

Additionally, approximately 52%-54% of the Shares on issue on Completion of the Offer, being Shares held by related parties and promoters of the Company, and the Vendors, will be subject to restrictions on transfer for a period of two years following the Listing.

This may affect the liquidity of trading in the Shares, which may result in a lower volume of Shares being traded than would otherwise have been the case, potentially making it difficult to realise any return on your investment.

(g) **Shareholder dilution**

In the future, the Company may elect to issue Shares to fund or raise proceeds for growth, or for any other reason.

While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where certain exceptions may apply), Shareholder interests may be diluted and Shareholders may experience a loss in value of their equity as a result of such issues of Shares and fundraisings.

(h) **Changes in taxation laws**

Tax laws are subject to change periodically as is their interpretation by the relevant courts and tax revenue authorities. Changes in tax law or changes in the way tax laws are interpreted may impact the level of tax that the Company is required to pay or collect, Shareholder returns, the level of dividend imputation or franking or the tax treatment of a Shareholder's investment.

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In particular, both the level and basis of taxation may change. The tax information provided in Section 10.10 of this Prospectus is based on current taxation law in Australia and South Africa as at the Prospectus Date. Tax law is frequently being changed, both prospectively and retrospectively. Further, the status of some key tax reforms remains unclear at this stage.

Additionally, tax authorities may review the tax treatment of transactions entered into by the Group. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Company's tax liabilities or expose it to legal, regulatory or other actions.

(i) **Dividends**

At the date of issue of this Prospectus, the Company does not intend to declare or pay any dividends in the immediate future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(j) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by Management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

(k) **Government actions and other events**

The impact of actions by domestic and international governments may affect the Group's activities, including in relation to its infrastructure, compliance with environmental regulations, export, taxation and royalties.

Events may occur that could impact on the world economy, the market for the Group's products, the Group's operations and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural disasters. The Group has only a limited ability to insure against some of these risks.

(l) **Force majeure**

Events may occur within or outside the countries in which the Group operates that could impact upon these economies, the operations of the Group and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the Group and its ability to conduct business. The Group has only a limited ability to insure against some of these risks. If any of these events occur, this may have a material adverse impact on the Group's operations, financial performance and viability.

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8 Board, Senior Management and Corporate Governance

8.1 Board members

The Board of the Company will comprise the following Directors:

 Terence Goodlace (appointed 29 March 2021) *Independent Non-executive Chairman*	Terence Goodlace has a mining career spanning more than 40 years and holds MBA (Wales) and BCom (UNISA) degrees. He holds a Mine Managers Certificate of Competency and a National Higher Diploma, both in metalliferous mining. He spent 28 years at Gold Fields Limited in various roles from being a miner to becoming the Chief Operating Officer. He spent three years as the Chief Executive Officer of Metorex Limited and served on the Impala Platinum Holdings Limited board for two years as an independent non-executive director and four and a half years as the Chief Executive Officer. He has significant experience in leading underground and open-pit operations in Africa, South America and Australia. Mr Goodlace is currently the independent non-executive chairman of Kumba Iron Ore Limited, and an independent non-executive director at Gold Fields Limited and AfriTin Mining Limited.
 Nicolaas Johannes (Johan) Odendaal (appointed 27 May 2021) *Non-independent Non-executive Director; Managing Director from completion of the Acquisition*	Johan Odendaal is a Mineral Economist and holds a B.Sc. degree in Geology, a B.Sc. Hons degree in Mineral Economics and a M.Sc. degree in Mining Engineering. Johan is director and co-founder of mining consulting firm Minxcon (2005) and has 36 years' experience in the mining and financial industry. This includes 19 years as an independent mining consultant and 12 years as a financial analyst involved in mine-financial analysis and valuations and corporate advisory. He headed mining research at a leading South African broking firm and spent several years at Merrill Lynch as Vice President. Mr Odendaal is currently the Chief Executive Officer of MUM.
 Geoffrey (Geoff) Hiller (appointed 4 December 2020) *Independent Non-executive Director*	Geoff Hiller is mining/civil engineer with over 25 years of mining industry experience including exploration, feasibility, financing, development and construction of projects. Geoff holds a Bachelor of Engineering Mining (Hons) from the University of Melbourne, a Bachelor of Civil Engineering (Hons) from the University of Sydney and MBA from the Australian Graduate School of Management (University of New South Wales). Geoff has worked in engineering consulting, merchant banking, metals trading and at mining companies. He is currently the executive director of Pacific Nickel Mines Limited and a non-executive director of Austpac Resources NL.

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 Michael (Mike) Stirzaker (appointed 4 December 2020) *Independent Non-executive Director*	Mike Stirzaker has a B.Com (University of Cape Town) and qualified as a Chartered Accountant (Australia) whilst working with KPMG. He has over 40 years' commercial experience, mainly in mining finance and mining investment with various companies including being Joint Managing Director of boutique resource adviser, RFC Group Limited, a partner of Tennant Metals, Finance Director of Finders Resources Limited, and from 2010 to 2019 was a partner at the private equity mining fund manager, Pacific Road Capital. Mike is currently the independent non-executive chairman of Base Resources Limited and Akora Resources Limited, and a non-executive director of Firestone Diamonds PLC.
 Robert (Rob) Thomson (appointed 4 December 2020) *Independent Non-executive Director*	Robert Thomson has a 40 year mining career, including CEO/Executive Director and GM/Project Director roles building and commercialising junior company gold and base metals exploration projects into significant mining operations and businesses (e.g. Sepon. Chatree, Didipio, Wetar). From 2016 to 2021 he was Managing Director then non-executive director for South Africa focussed Theta Gold Mines Limited. He has a Bachelor of Engineering (Mining) from the University of Queensland, a MBA from the University of Wollongong and is a Fellow of the Australasian Institute of Mining and Metallurgical Engineers. Currently he is an independent non-executive director of Pacific Nickel Mines Limited and Bayrock Resources Limited.
 Daniel (Daan) van Heerden (appointed 27 May 2021) *Non-independent Non-executive Director*	Mr van Heerden holds a M.Com., a B.Eng Mining Engineering and has a Mine Managers Certificate from the SA Chamber of Mines. He has over 30 years' experience in the mining industry and has obtained significant experience in managing mining operations in South Africa and abroad, both underground and open cast, for world-class major mining companies and for junior mining companies. He was responsible for new business development for two major mining companies and has experience in mining mergers and acquisitions. He is currently heading the Mining Engineering division of Minxcon, where he is involved in activities such as valuation, due diligence, finance structuring, change management required post the event, feasibility studies, life of mine plans, technical reviews and writing of technical reports for various commodities.

The Directors have confirmed that they are available to perform their roles as Directors of the Company.

8.2 Senior Management

Apart from Johan Odendaal, the senior Management of the Company will comprise only the company secretary, Andrew Cooke.

Mr Cooke is a lawyer with BA.LLB (University of Sydney) and has over 30 years' experience in law, corporate finance and as a Company Secretary of listed resource companies. He is responsible for corporate administration together with stock exchange and regulatory compliance. He is currently a non-executive, independent director of Kingsrose Mining Limited, and the Company Secretary of four other ASX listed companies.

Andrew Cooke

Company Secretary

The Company has contracted the part-time services of an accountant in Sydney, and intends to engage on a similar basis with an as yet unidentified person (or company) in Johannesburg from the Listing date. Given the nature of the business to be undertaken by the Company in the first two years from Listing, the activities normally associated with a finance director will be assumed by Johan Odendaal as the Managing Director. The Board is satisfied that these arrangements, supplemented by Board oversight, is sufficient and appropriate for managing the finance function of the Group given its current state of operations.

8.3 **Interests**

(a) **General**

Except as set out below or elsewhere in this Prospectus, no Director (whether individually or in consequence of that person's association with any company or firm or in any material contract entered into by Southern Palladium) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with the Company's formation.

In addition, except as set out below or elsewhere in this Prospectus, no benefits of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or the promotion of the Company.

(b) **Interest in securities**

The interests of the Directors and the Managing Director (**Relevant Officers**) are set out below:

Relevant Officer (including associates)	Shares as at the Prospectus Date		Securities on Completion				
	Number	Percentage	Number of Shares	Number of Options	Number of Performance Rights	Percentage* at Minimum Subscription	Percentage* at Maximum Subscription
Terence Goodlace	nil	-	nil	200,000	-	0.22%	0.21%
Johan Odendaal	nil	-	12,656,992	100,000	-	13.73%	13.14%
Geoff Hiller	500,000	8.0%	500,000	1,100,000	400,000	1.72%	1.65%

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Relevant Officer (including associates)	Shares as at the Prospectus Date		Securities on Completion				
	Number	Percentage	Number of Shares	Number of Options	Number of Performance Rights	Percentage* at Minimum Subscription	Percentage* at Maximum Subscription
Mike Stirzaker	583,333	9.3%	583,333	1,100,000	400,000	1.81%	1.73%
Rob Thomson	750,010	12.0%	750,010	1,100,000	400,000	1.99%	1.91%
Daan van Heerden	nil	-	12,656,992	100,000	-	13.73%	13.14%

*On a fully diluted basis, but excluding the Performance Rights (given they are subject to achievement of the Initial Reserve Milestone) – refer to Section 10.3 for the terms of the Options and Performance Rights.

The Relevant Officers (and their associates) are entitled to apply for New Shares in the Offer. The Relevant Officers reserve their rights as at the date of this Prospectus as to whether they will participate in the Offer. Nothing in this Prospectus will be taken to preclude Relevant Officers, officers, employees or advisers of Southern Palladium, from applying for New Shares on the same terms and conditions as Offered pursuant to this Prospectus.

(c) **Remuneration**

Non-executive Directors' fees are determined within an aggregate non-executive Directors' fee pool limit.

For the financial year commencing 1 July 2021 and in respect of each financial year thereafter and until otherwise determined by a resolution of Shareholders, the maximum aggregate remuneration payable by the Company to all non-executive Directors for their services as Directors including their services on a Board committee or sub-committee and including superannuation is limited to $750,000 per annum (in total).

Each non-executive Director has entered into a deed of appointment with the Company. The total remuneration packages inclusive of superannuation benefits for the current non-executive Directors are as follows:

Director	Cash component (including superannuation)	Securities
Terence Goodlace	$89,000^	200,000 Series B Options*
Johan Odendaal	$38,500	100,000 Series B Options*
Geoff Hiller	$42,500^	100,000 Series B Options*
Mike Stirzaker	$46,500^	100,000 Series B Options*
Rob Thomson	$42,500^	100,000 Series B Options*
Daan van Heerden	$42,500^	100,000 Series B Options*

* See Section 10.3 for a summary of the terms of the Series B Options.
^ Includes committee fees for the Board, per annum.

In addition, at the discretion of the Board, each of the Directors may become eligible for discretionary at risk incentives in circumstances where pre-determined performance targets are exceeded. Apart from the Performance Rights (summarised in Section 10.3(c)) and the Series B Options (summarised in Section 10.3(b)), no Directors have been awarded any at risk incentives at the Prospectus Date.

In addition, Mike Stirzaker is entitled to be paid a fee of $75,000 in respect of services to the Company to progress and complete the Offer and Acquisition.

(d) **Indemnification and insurance**

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The Company has entered into deeds of indemnity, insurance and access with each Director. Each deed contains a right of access to certain books and records of the Company and its related bodies corporate for a period of seven years after the Director ceases to hold office.

Subject to the Corporations Act, the Company may indemnify Directors and officers, past and present, against liabilities that arise from their position as a Director or officer allowed under law. Under each deed of indemnity, insurance and access, the Company indemnifies each Director to the maximum extent permitted by law against any liability incurred by the Director arising out of or in connection with the Director acting as an officer of the Company, as well as legal costs incurred by the Director as a consequence of having been an officer of the Company.

The Company may arrange and maintain directors' and officers' insurance for its Directors and officers to the extent permitted by law. Under each deed of indemnity, insurance and access, the Company must maintain insurance for each Director against any claims during each Director's period of office and for a period of seven years after a Director ceases to act as an officer of the Company. The Company's obligation is to maintain coverage on terms not materially less favourable to the Director than the terms of insurance applying when the deed was entered into.

The Company has not otherwise indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred by such officer.

(e) **Other key employment terms of executives**

Johan Odendaal will assume the role of Managing Director of the Company upon completion of the Acquisition. In that role, his specific tasks and roles will include focus on investor relations and reporting progress on MUM's activities to the Company's Board. His core responsibilities, however, will be largely operational and will occur at the MUM level.

In that regard, he has entered into an employment contract with the Company containing the following key terms:

- role description typical of that for a Managing Director of a holding company where the operating company subsidiary has exploration activities as described in Section 4.7;
- total fixed salary of A$108,500 per annum (excluding incentives);
- short term incentive as set by the Board of the Company and the board of directors of MUM, with ultimate discretion being retained by those boards;
- the appointment will be for a period of two years, and may be extended by agreement between the parties; and
- the appointment may be terminated by either party on three months' notice, or by the Company for extended illness on the part of the executive on one months' notice, or by the Company without notice for a number of contraventions, including serious or persistent breach, serious misconduct or bankruptcy.

The contract otherwise contains customary restraints, intellectual property protections, warranties and indemnities usual for a contract of this nature.

Following completion of the Acquisition, the Company intends to procure the entry into of an agreement between MUM and Johan Odendaal to formalise existing arrangements in place between MUM and Johan Odendaal in relation to services Johan Odendaal currently provides to MUM. The aggregate remuneration payable to Johan Odendaal by the Company and MUM under his employment contract with the Company and arrangements with MUM will be A$250,000 per annum.

8.4 Corporate governance

The Board is responsible for the corporate governance of the Company. The Board believes that effective corporate governance will improve the Company's performance and create value among its stakeholders.

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All ASX listed entities are required to disclose in their annual reports the extent of their compliance with the Corporate Governance Principles and Recommendations 4th edition released by the ASX Corporate Governance Council (**ASX Recommendations**).

The ASX Recommendations are not prescriptive, but act as guidelines against which entities have to report on an "if not, why not" basis. Under the ASX Listing Rules, the Company must prepare a corporate governance statement that discloses the extent to which it has followed the ASX Recommendations during each reporting period. Where the Company does not follow a recommendation in the ASX Recommendations for any part of the reporting period, it must identify that recommendation and the period during which it was not followed and give reasons for not following it. The Company must also explain what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

As at the date of Listing, the Company will have complied in all respects with the ASX Recommendations other than as set out below. Full details of the Company's corporate governance framework will be included in the Company's first annual report following Listing.

ASX CG Recommendations	Reason for non-compliance
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	As required, Directors' qualifications, experience and skills will be reported in each annual report. The Board believes that, with the Company's scale and activities the Company does not require a board skills matrix setting out the mix of skills the Board currently has or is looking to achieve in its membership. While the Board does not maintain a formal Board skills matrix, it does review its composition from time to time taking into account the length of service on the Board, age, skills, qualifications and experience, and in light of the needs and direction of the Company, together with such other criteria considered desirable for the composition of a balanced Board and the overall interests of the Company. The Board has a broad background of experience in early stage companies, publicly listed companies, resource exploration, resource mining, project development, business development, finance and accounting, governance and compliance, legal, risk management and commercial expertise.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	In light of the nature and extent of the Company's operations and activities, the Company has not established a formal internal audit function. The Board continuously reviews its activities to identify key business and operational risks and has implemented policies and procedures to address such risks and to establish appropriate internal control processes. The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise.

8.5 Board charter and committees

Board charter

The Board has adopted a Board Charter which sets out the responsibilities of the Board in greater detail, including (amongst other things) defining the Company's purpose and setting its strategic

objectives, overseeing and evaluating Management's implementation of the Company's strategic direction, objectives and goals, and instilling the Company's values and its performance generally.

The Board Charter provides for the Board to delegate management of the day to day affairs of the Company to the Managing Director, who has the authority to sub-delegate to senior Management, or to committees established by the Board.

Under the Board Charter, the Chairman of the Board (**Chairman**) will assess the performance of any Director standing for re-election and the Board will determine their recommendation to Shareholders on the re-election of the Director (in the absence of the Director involved). The Board (excluding the Chairman), will conduct the review of the Chairman.

Under the Board Charter, Directors may seek independent professional advice at the expense of the Company whenever Directors judge such advice necessary for them to discharge their responsibilities as Directors.

Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. To assist in carrying out its responsibilities, the Board has established an Audit and Risk Committee and a Nomination and Remuneration Committee. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements and the skills and experience of individual Directors.

(a) Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its accounting, auditing and financial reporting responsibilities by overseeing the integrity of financial reporting and financial statements, the independence and competence of external auditors, and the effectiveness of the Company's risk management system, internal controls, systems and procedures for compliance with applicable legal and regulatory requirements.

The role and responsibilities, composition, structure and membership requirements of the Audit and Risk Committee are documented in an Audit and Risk Committee Charter approved by the Board.

It is intended that the Audit and Risk Committee will meet at least twice each year. The Managing Director is expected to attend each scheduled meeting of the committee and the external auditors may be invited to attend by the committee chair. The committee chair may also invite Directors who are not members of the committee, other senior managers and external advisors to attend meetings of the committee. The committee chair, or delegate, will report to the Board after each committee meeting.

The Audit and Risk Committee comprises three non-executive Directors (all of whom are independent), being Terence Goodlace, Rob Thomson and Mike Stirzaker, with Mike Stirzaker as the committee chair.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has two key functions. The purpose of the nomination function is to assist and advise the Board on succession planning for the Board and senior executives, the processes to evaluate performance of Directors, Board committees and the Board, and the recruitment, appointment and re-election of Directors to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole. The purpose of the remuneration function is to assist and advise the Board on remuneration policies and practices for the Board, the Managing Director, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company.

The role and responsibilities, composition, structure and membership requirements of the Nomination and Remuneration Committee are documented in a Nomination and Remuneration Committee Charter approved by the Board.

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The Nomination and Remuneration Committee comprises three non-executive Directors (a majority of whom are independent), being Geoff Hiller, Daan van Heerden and Terence Goodlace, with Terence Goodlace as the committee chair.

8.6 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles.

The Company's policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet the Company's needs.

Southern Palladium's full policies and charters can be reviewed on the Company's website: www.southernpalladium.com.

(a) Code of Conduct

The Company has a Code of Conduct which sets out the values, commitments, ethical standards and policies of Southern Palladium, and outlines the standards of conduct expected of Southern Palladium's employees, Directors and other persons that act on behalf of Southern Palladium.

The Code of Conduct deals with areas such as (amongst other things) conflicts of interest, ethical business practices and privacy. The Code of Conduct sets out mechanisms for persons to report conduct which breaches the Code of Conduct and explains the consequences which persons may face if they breach the Code of Conduct.

The Board or a committee of the Board will monitor for any material breaches of the Code of Conduct by a Director or senior executive of Southern Palladium.

(b) Securities Trading Policy

The Company has adopted a Securities Trading Policy which sets out the types of conduct in relation to dealings in securities that are prohibited by law. The Securities Trading Policy also establishes procedures for buying and selling securities by Directors, senior executives and other employees of the Company.

The Securities Trading Policy requires Directors and employees of the Company to obtain clearance prior to dealing in the Company's securities. The Securities Trading Policy also restricts Directors and employees of the Company from dealing in the Company's securities other than during certain permitted periods after the release of the Company's half year and full year financial results and annual general meeting and any extensions of those periods, or any additional periods as specified by the Board.

The Securities Trading Policy also requires Directors and employees of the Company in possession of inside information to not at any time deal in securities of the Company, or advise or suggest another person do so, or communicate the inside information to a person who may deal in securities of the Company.

The Securities Trading Policy prohibits Directors and employees of the Company from engaging in short-term dealing in securities of the Company and prohibits them from taking out margin loans over their holdings in the Company's securities.

The Securities Trading Policy clearly identifies those individuals who are restricted from trading, the relevant laws relating to insider trading and the consequences which persons may face if they are in breach of the trading restrictions.

(c) Continuous Disclosure and Communication Policy

The Company has adopted a Continuous Disclosure and Communication Policy which sets out its commitment to promoting investor confidence and the rights of Shareholders by complying

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with the continuous disclosure obligations imposed by law, ensuring that all Shareholders have equal and timely access to material information concerning the Company and communicating effectively with Shareholders.

As a publicly listed company, the Company will have continuous disclosure obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of all information which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Information will be communicated to Shareholders through announcements to the ASX, SENS announcements, half-yearly and yearly financial reports, and annual report, at the Company's annual general meeting and on the Company's website: www.southernpalladium.com.

The Company Secretary has been appointed as the person primarily responsible for managing the Board's external communications with the ASX and the JSE.

(d) Diversity Policy

The Company has adopted a Diversity Policy which sets out its commitment to diversity and inclusion in the workplace.

The Diversity Policy provides for the Board to set measurable objectives to assist Southern Palladium to achieve gender diversity and to review Southern Palladium's progress in meeting these objectives and the effectiveness of these objectives each year. The Nomination and Remuneration Committee will review nomination practices against measurable objectives for achieving gender diversity and report to the Board annually on those objectives and on Southern Palladium's progress in achieving them.

(e) Anti-Bribery and Corruption Policy

The Company has adopted an Anti-Bribery and Corruption Policy for Directors, employees, contractors, consultants and other persons that act on behalf of Southern Palladium and its associates. The Anti-Bribery and Corruption Policy sets out Southern Palladium's 'zero tolerance' approach to bribery and corruption.

The Anti-Bribery and Corruption Policy covers bribery and corruption, gifts and hospitality, secret commissions, facilitation payments, dealings with politicians and government officials and charitable contributions. The Anti-Bribery and Corruption Policy sets out mechanisms for persons to report conduct which breaches the Anti-Bribery and Corruption Policy and explains the consequences which persons may face if they breach the Anti-Bribery and Corruption Policy.

The Company Secretary is responsible for the overall administration of the Anti-Bribery and Corruption Policy. The Company Secretary must notify the Board of any material breach of the Anti-Bribery and Corruption Policy.

(f) Whistleblower Policy

The Company has adopted a Whistleblower Policy which sets out its commitment to creating and maintaining an environment where individuals can come forward and report known or suspected business misconduct or wrongdoing.

The Whistleblower Policy applies to eligible 'whistleblowers' who disclose information to an eligible recipient which is protected under relevant legislation.

The Whistleblower Policy sets out what matters can be disclosed, who they can be disclosed to, how a matter can be disclosed, the protections that are available for disclosers, how those the subject of a disclosure will be treated and how a disclosed matter will be handled and investigated.

The Board will monitor for any material breaches of the Whistleblower Policy.

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(g) Environmental Policy

The Environmental Policy covers everyone working at the Company's operations. Through adhering to the policy, the Company strives to use resources sparingly and to be committed to responsible stewardship of natural resources and the environment for present and future generations. We aim to operate in an innovative manner that prevents, mitigates, and manages the effects that our operations have on the environment and biodiversity, and the communities in which we operate.

This is achieved by integrating environmental sustainability principles into the full mining lifecycle and our daily activities, and by complying with the Company's policies, standards, and procedures.

(h) Conflict of Interest Policy

The Conflict of Interest Policy supplements the Company's Code of Conduct Policy and outlines the processes to be applied in circumstances where a Director has, or as a real possibility may have:

- a material personal interest in a matter that is being considered or will be considered by the Board;
- a conflict or perceived conflict between the duties he or she owes to the Company and may also owe to another company of which he or she is a director or salaried employee in considering a matter that is before, or will be placed before, a meeting of the Board; or
- any other business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

This policy recognizes the obligation placed on Directors by the Corporations Act in regard to conflicts of interest generally. The policy requires every Director to notify the Board or the Chairman in writing, immediately upon becoming aware of any conflict of interest, whereupon the relevant Director may be required to withdraw from Board meetings for the duration of any discussion on the relevant matter, and refrain from taking part in any Board decision on that matter. The Board may establish a sub-committee to deal with any conflict of interest.

(i) Occupational Health and Safety Policy

The Company's vision for Occupational Health and Safety is aligned to our principal value, "Health and Safety comes first in everything we do". The intended outcomes of applying this policy are to ensure the fulfilment of our compliance obligations, the appropriate control of health and safety related risks and opportunities, and the continual performance improvements.

Everyone working at Southern Palladium's operations must play an active role in achieving the commitments by:

- being empowered to stop unsafe work at any time;
- practicing their right to a safe working environment by withdrawing from and reporting situations that are unhealthy or dangerous to themselves or their colleagues;
- taking personal ownership of their roles in occupational health and safety management programmes; and
- complying with the Company's policies, standards, and procedures.

(j) Risk Management Policy

The Risk Management Policy recognises that risks may impede our ability to achieve our objectives and that risk management is therefore important in protecting our employees, stakeholders, operations, finances, reputation, assets, and the environment. The Company's management is committed to embedding risk management into its business processes and activities to reduce the likelihood and consequences of adverse effects to acceptable levels.

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The policy seeks to achieve this by:

- managing our operations in compliance with applicable regulatory requirements and obligations relating to rules, codes, and standards to which we subscribe;
- developing, implementing, and maintaining sound risk management practices and systems;
- understanding the risks associated with our business processes and activities;
- prioritising the monitoring and reporting of all risks, incidents, and injuries;
- implementing effective crisis management and business continuity plans;
- integrating risk management into the management culture of our company and to improving risk management awareness in our business processes; and
- encouraging proactive rather than reactive management.

(k) Sustainable Development Policy

The Company's Sustainable Development Policy seeks to ensure the Company operates in a manner that represents a platform for responsible and ethical investment. We integrate sustainable development principles into business strategy and planning, management systems, and decision-making processes to enhance stakeholder value, maintain our social licence to operate, and leave a lasting and positive legacy for our host communities. The results will be an appropriate balance of the Company's requirements to perform financially, to manage the environment responsibly, and to ensure social benefit.

The policy seeks to achieve this by:

- undertaking our business activities in a manner that considers and complies with regulatory requirements and obligations relating to industry rules, codes, and standards to which we subscribe;
- proactively and simultaneously addressing business and social needs;
- operating in a transparent and ethical manner;
- respecting human rights and the diverse interests, cultures, customs, and values of our fellow employees, third parties (contractors, suppliers, service providers, and business partners), communities, and others in our sphere of influence;
- continually improving our social performance and contributing to the socio-economic and institutional development of our host communities and the countries in which we operate; and
- raising the sustainable development awareness of our employees, third parties, communities, and visitors.

(l) Communities Policy

The Company has adopted a Communities Policy for Directors, employees, contractors, consultants and other persons that act on behalf of the Company and its associates. The Communities Policy includes a focus on building relationships with the communities in which we operate and enriching their lives through our participation. Through the operation of this policy, the Company seeks to establish enduring relationships that uphold the principles of human rights and are characterised by mutual respect, active partnership and long term commitment that ensures long-term sustainable benefits can be maximised for local communities, regional and national stakeholders and the Company.

The Communities Policy recognises that maintaining sound relationships with the local communities in which we operate is essential to achieving our long-term goals.

8.7 Independence

While Terence Goodlace is entitled to Series B Options, the rest of the Board consider him to be independent as this entitlement is considered to be aligned with Shareholder interests and the quantum is not considered to be material to the exercise of his independent judgement.

While Geoff Hiller, Mike Stirzaker and Rob Thomson are entitled to Performance Rights, Series A Options and Series B Options, the rest of the Board consider them to be independent as these

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entitlements are considered to be aligned with Shareholder interests and the combined quantum is not considered to be material to the exercise of their independent judgement.

Johan Odendaal and Daan van Heerden, are not considered independent as the quantum of Clawback Shares, whilst being aligned with Shareholder interests, is of a size that it may interfere with the exercise of independent judgement. It is also noted that upon completion of the Acquisition, Johan Odendaal will assume the role of Managing Director of the Company, which position will automatically make him non-independent.

8.8 **Legal or disciplinary action**

There are no legal or disciplinary actions against a Relevant Officer (or against companies that the person was a director of at the relevant time) that are less than 10 years old and are relevant to the role to be undertaken and to the decision to invest in the Company.

8.9 **Insolvent companies**

No Relevant Officer has been an officer of a company that entered into a form of external administration because of insolvency during the time the Relevant Officer was an officer or within a 12-month period afterwards.

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9 Details of the Offer

9.1 Important dates

Lodgement of Prospectus with ASIC	22 April 2022
Abridged Prospectus published on SENS and the Company's website	22 April 2022
Exposure Period	23 April 2022 – 30 April 2022*
Opening date of Offer	2 May 2022
Closing date of Offer	6 May 2022
Settlement of the Offer	20 May 2022
Allotment of New Shares	23 May 2022
Expected dispatch of Shareholder holding statements and allotment confirmation notices	24 May 2022
Shares expected to commence trading on the ASX and on the JSE (at 9:00am South African time)	25 May 2022

*The Exposure Period may be extended by ASIC for a further 7 days.

Dates may change
*The above dates are subject to change and are indicative only. Changes will be announced on the Company's website at https:// www.southernpalladium.com, the ASX Markets Announcement Platform and the JSE Stock Exchange News Service (**SENS**), as appropriate. The Company, in consultation with the Lead Manager, reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.*

9.2 Initial public offering

The Company is undertaking an initial public offering of New Shares by the Company at an offer price of $0.50 per Share. The Offer contained in this Prospectus is an invitation to apply for between 34,000,000 and 38,000,000 New Shares raising proceeds of between $17,000,000 and $19,000,000 (before costs). The Company will not accept oversubscriptions (collectively **Offer**).

9.3 Offer structure

The Offer of New Shares comprises:

(a) the Institutional and Broker Firm Offer, which is open to sophisticated and professional investor clients of Brokers who have received a firm allocation from their Broker. Details of the Institutional and Broker Firm Offer and the allocation policy under it are described in Section 9.12;

(b) the Chairman's List Offer which is open to selected investors in eligible jurisdictions who have received an invitation from the Chairman to acquire Shares under the Offer. Details of the Chairman's List Offer and the allocation policy under it are described in Section 9.13; and

(c) the Retail Offer, which is open to the general public in Australia who may apply for Shares under the Offer using the Application Form. Details of Retail Offer and the allocation policy under it are described in Section 9.14.

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The allocation of Shares between the Institutional and Broker Firm Offer, the Chairman's List Offer and the Retail Offer will be determined by agreement between the Company and the Lead Manager having regard to the allocation policy described in Sections 9.12, 9.13 and 9.14.

9.4 Minimum subscription

The Minimum Subscription under the Offer is $17,000,000 (34,000,000 New Shares).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any New Shares and will repay all Application Payments for the Shares within the time prescribed under the Corporations Act, without interest.

9.5 Maximum Subscription

The Maximum Subscription under the Offer is $19,000,000 (38,000,000 New Shares).

9.6 Underwritten

The Offer is not underwritten.

9.7 The Offer is conditional – Application for admission to the official list of the ASX

The Offer set out in this Prospectus is conditional on permission being granted for the quotation of the New Shares offered under this Prospectus on the ASX.

The Company is proposing to apply for listing on the ASX. Within seven days after the date of this Prospectus, the Company will lodge an application with the ASX for admission of the Company to the official list of the ASX and quotation of all Shares on the ASX.

If the Company's application for listing is accepted by the ASX, it is anticipated that the Company will be listed on the ASX on or about 25 May 2022.

It is the responsibility of the Applicants to check their allocation of Shares prior to trading.

No issue of Shares will be made until permission is granted for quotation of those Shares on the ASX. If the Shares are not admitted for quotation within three months after the date of this Prospectus or if any of the other conditions precedent to the Offer are not met, no funds will be raised pursuant to this Prospectus. Therefore, the Offer will not proceed, no New Shares will be issued or transferred pursuant to the Offer and Applications received for New Shares may need to be dealt with in accordance with section 724 of the Corporations Act.

9.8 Application of proceeds

The funds raised will be applied first towards meeting the expenses of the Offer, which are expected to be approximately $1,617,000 under the Minimum Subscription and $1,737,000 under the Maximum Subscription (excluding GST). A breakdown of the expected costs of the Offer is set out under Section 10.16.

The net proceeds of the issue of New Shares under the Offer are expected to be $15,383,000 under the Minimum Subscription and $17,263,000 under the Maximum Subscription after expenses.

In satisfaction of the specific requirements of ASX Listing Rule 1.3.2(b) regarding the indicative future application of cash expected to be available to the Company following Completion, the sources and uses of funds relating to the Offer are as follows:

Source & Use of Funds	Note	Minimum Raising A$000	Maximum Raising A$000
Source of Funds			
Cash balance at 31 December 2021		1,114	1,114
Gross IPO equity raising		17,000	19,000
Total		**18,114**	**20,114**

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Application of Funds			
Geophysics	1	111	111
Phase 1 drilling	2	7,716	7,716
Phase 2 drilling	2	2,435	3,805
Other technical work on the Project	2	1,566	1,566
Subtotal Technical		**11,829**	**13,199**
IPO costs and fees	3	1,617	1,737
MUM acquisition related costs	4	288	288
Corporate costs	5	3,630	3,630
Subtotal IPO & Corporate Costs		**5,535**	**5,655**
Working capital / contingency		751	1,261
Total		**18,114**	**20,114**

1. The total geophysics program was completed at a cost of $149,000 of which $111,000 was paid post 31 December 2021.
2. Refer to Section 4.7 for detailed explanation.
3. Approximately $355,000 of costs included in this total comprise costs paid post 31 December 2021 and/or are costs expected to be incurred prior to the IPO. Some IPO costs were paid prior to 31 December 2021 - refer to Section 10.16 for more information.
4. Approximately $39,000 of costs included in this total comprise costs paid post 31 December 2021 and/or are costs expected to be incurred prior to the IPO. Post IPO, approximately $229,000 will be used for the repayment of MUM's shareholder loans and other liabilities.
5. Approximately $422,000 of costs included in this total comprise costs paid post 31 December 2021 and/or are costs expected to be incurred prior to the IPO.

The Minimum Subscription is sufficient to meet the Company's objectives. The Company has enough working capital at the time of its Listing to carry out these stated objectives.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The funds are expected to be used within the period to 30 June 2024.

The use of further equity funding or share placements will be considered by the Board where it is appropriate to accelerate a specific project, transaction or expansion.

It is possible that future acquisitions that may be contemplated may exceed the current projected financial resources of the Company and it is expected that these acquisitions would be funded by project finance and / or equity issues (subject to required Shareholder approvals, including under Chapters 7 (changes in capital and new issues), 10 (transactions with persons in a position of influence) or 11 (significant transactions) of the ASX Listing Rules, as the case may be).

Refer to Section 4.7 for a breakdown of the Company's proposed expenditure program.

9.9 Expected benefits of the Offer

The Offer is expected to generate future opportunities for the development of Southern Palladium, including:

- providing Southern Palladium with funding to undertake its exploration program and fund working capital and other operational expenses, including the costs associated with

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operating Southern Palladium's business and the Listing, as set out in the use of funds table in Section 9.8;

- providing the Company with a liquid market for its Shares and an opportunity for others to invest in the Shares;
- providing the Company with the benefits that flow from being a listed company on the ASX and the JSE; and
- providing an environment for the Company to potentially access further capital for future funding needs.

Certain of these benefits may be generated quickly while others may be achieved over a longer time span.

Refer to Sections 4 and Appendix A for further details of the Project and Southern Palladium's proposed future activities.

9.10 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the securities?	A description of the New Shares, including the rights and liabilities attaching to them, is set out in Section 10.2.
What is the consideration payable for each security being offered?	Successful applicants under the Offer will pay the Offer Price of $0.50 per New Share. Except as required by law, Applicants cannot withdraw or vary their Applications.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out in the Key Offer Information Section. No Shares will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company in consultation with the Lead Manager reserves the right to vary any and all of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allotment of New Shares, then all Application Payments will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.
What is the minimum subscription under the Offer?	The Minimum Subscription under the Offer is $17 million.
What is the maximum subscription under the Offer?	The Maximum Subscription under the Offer is $19 million.

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Topic	Summary
Is the Offer underwritten?	No.
Who is the Lead Manager to the Offer?	The Lead Manager, Bridge Street Capital Partners Pty Ltd is providing arranging services to the Company. Refer to Section 10.8(i) for a summary of the terms of the Offer Management Agreement.
What is the minimum Application size under the Offer?	Applications must be for at least 4,000 New Shares at an aggregate subscription price of $2,000; or a greater number, in multiples of 2,000 New Shares at aggregate additional subscription prices of $1,000.
What is the allocation policy?	The allocation of Shares between the Institutional and Broker Firm Offer, the Chairman's List Offer and the Retail Offer will be determined by agreement between the Company and the Lead Manager having regard to the allocation policy described in Sections 9.12, 9.13 and 9.14. The Company in consultation with the Lead Manager has absolute discretion regarding the level of scale-back and the allocation of New Shares under the Offer (if any).
When will I receive confirmation that my Application has been successful?	It is expected that initial allotment confirmation notices and holding statements will be dispatched to successful Applicants by 24 May 2022.
Will the Shares be quoted on ASX?	The Company will apply to ASX within seven days of the Prospectus Date, for its admission to the Official List, and quotation of Shares by ASX (under the code "SPD"). It is anticipated that quotation will initially be on a normal trading basis. Completion is conditional on the issue and allotment of New Shares to successful Applicants. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the New Shares offered for subscription.
Will the Shares be quoted on the JSE?	The Company has applied to JSE for its securities to be admitted to trading in the Platinum and Precious Metals sector of the Main Board of the JSE as a secondary (or inward) listing. Such listing is conditional on the Company satisfying the requirements of the JSE for such listing, including that the ASX has granted a primary listing of the Shares on the ASX. The Company's Shares are expected to trade on the JSE under the abbreviated name South Pd and the alpha code SDL on 25 May 2022. When admitted to trading on the ASX and the JSE, the Shares will be registered with an ISIN to be issued by the ASX. The Company will be required to comply with the JSE Listings Requirements (as may be applicable), subject to any waivers obtained by the Company from time to time. The JSE will consider the Listing as a secondary listing on the Main Board of the JSE in terms of Section 18 of the JSE Listings Requirements. The fact that JSE may permit the securities of the Company to be traded on the JSE

Topic	Summary
	is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
Discretion regarding the Offer	The Company may withdraw the Offer at any time before Completion. If the Offer, or any part of it, does not proceed, all relevant Application Payments will be refunded (without interest) as soon as possible. The Company also reserves the right to, subject to the Corporations Act and the ASX Listing Rules, close the Offer or any part of it early, extend the Offer or any part of it, accept late applications generally or in particular cases, reject any application, waive or correct any errors made by any applicant in completing an Application Form, or allocate to any applicant fewer New Shares than the amount applied for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX and the JSE on a normal trading basis will commence on or about 25 May 2022. It is the responsibility of each person who trades in the Shares to confirm their own holding before trading in Shares. Investors will be able to confirm their holdings by telephoning the IPO Offer Information Line on 1300 404 327 (within Australia) or +61 3 9415 4233 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday (excluding public holidays). If you sell Shares before receiving a holding statement or allotment confirmation notice, you do so at your own risk. The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement or allotment confirmation notice, even if you obtained details of your holding from the IPO Offer Information Line or confirmed your firm allocation through a Broker.
Are there any escrow arrangements?	No New Shares issued under the Offer will be subject to escrow. However, certain Existing Shares may be subject to ASX imposed escrow arrangements. See Section 10.5 for further details.
Are there any tax considerations?	Yes. Details are provided in Section 10.10. The tax consequences of any investment in Shares will depend on your personal circumstances. Prospective investors should obtain their own tax advice before deciding to invest.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of New Shares under the Offer. See Sections 10.8(i)and 10.16 for details of various fees payable by the Company to the Lead Manager.
What should you do if you have any enquiries?	All enquiries in relation to this Prospectus should be directed to the IPO Offer Information Line on 1300 404 327 (within Australia) or +61 3 9415 4233 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday (excluding public holidays). If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

9.11 How to apply for Shares

Applications for New Shares under the Offer may be made under the terms of the Institutional and Broker Firm Offer, Chairman's List Offer or Retail Offer, details of which are set out below.

The Company reserves the right to reject any Application which it believes does not comply with the terms of the Offer.

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By making an Application to purchase New Shares, you:

(a) agree that your Application is an irrevocable offer which cannot be withdrawn;

(b) authorise the Company, your Broker (as the case may be) and the Share Registry (and their officers, employees or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;

(c) accept the risk associated with any refund of your Application Payment that may be paid to you by cheque to your address shown on the Company's register of members or your Application (as the case may be); and

(d) irrevocably and unconditionally agree to be bound by the terms of the Offer and the Company's Constitution.

9.12 **Institutional and Broker Firm Offer**

(a) Who may apply?

The Institutional and Broker Firm Offer is open to sophisticated and professional investors who have received a firm allocation of Shares from their Broker. If you have received a firm allocation of Shares from your Broker, you will be treated as an Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Institutional and Broker Firm Offer.

The Institutional and Broker Firm Offer is not open to persons in the United States.

(b) How to apply

Applications for Shares under the Institutional and Broker Firm Offer must be made using the appropriate Application Form. If you are an investor applying under the Institutional and Broker Firm Offer, you should complete and lodge your Application Form and Application Monies with the Broker from whom you received your firm allocation of Shares. Applicants under the Institutional and Broker Firm Offer must not be sent to the Share Registry.

Applications for Shares under the Institutional and Broker Firm Offer must be for a minimum of 4,000 Shares and thereafter in multiples of 2,000 Shares and payment for the Shares must be made in full at the issue price of $0.50 per Share. The Company and the Lead Manager reserve the right to aggregate any Applications which they believe are multiple applications from the same person, or to reject or scale back any Applications.

There is no maximum number or value of Shares that may be applied for under the Offer. However, the Company and the Lead Manager reserve the right to close the Offer early or extend the Offer, and may amend or waive the Offer Application procedures in their discretion (subject to the applicable laws).

By submitting an Application, you declare that you were given access to this Prospectus, together with an Application Form.

Under the Corporations Act, a person must not pass an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Neither the Company, the Lead Manager, nor the Share Registry take any responsibility for any acts or omissions of your Broker in connection with an Application.

(c) How to pay

Applicants under the Institutional and Broker Firm Offer must pay their Application Monies in accordance with instructions received from their Broker.

(d) Institutional and Broker Firm allocation policy

The allocation of firm stock to Brokers has been determined by agreement between the Company and the Lead Manager. Shares which have been allocated to Brokers for allocation to their clients

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will be issued to the Applicants who have received a valid allocation of Shares from those Brokers (subject to the right of the Company and the Lead Manager to reject or scale back Applications). It will be a matter for those Brokers how they allocate Shares among their clients and the relevant Broker (and not the Company or the Lead Manager) will be responsible for ensuring that their clients, who have received an allocation of Shares from them, receive the relevant Shares.

(e) Application Monies

Application Monies received under the Institutional and Broker Firm Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. Applicants under the Institutional and Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any Application Monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

(f) Announcement of final allocations in the Institutional and Broker Firm Offer

Applicants in the Institutional and Broker Firm Offer will be able to confirm their allocation through the Broker from whom they received their allocation.

9.13 **Chairman's List Offer**

(a) Who may apply?

The Chairman's List Offer is open to select investors nominated by the Company in eligible jurisdictions who have received a Chairman's List Offer invitation to acquire Shares under this Prospectus. If you are a Chairman's List Offer Applicant, you will receive a personalised invitation to apply for Shares in the Chairman's List Offer.

(b) How to apply

If you have received a personalised invitation to apply for Shares under the Chairman's List Offer and you wish to apply, you must do so in accordance with the instructions provided in your personalised invitation.

Recipients of the Chairman's List Offer invitation should read the separate Offer letter and this Prospectus carefully and in their entirety before deciding whether to apply under the Chairman's List Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

To apply under the Chairman's List Offer, you must complete the online 'Chairman's List Offer Application Form' in accordance with the instructions provided in your Chairman's List Offer invitation and on the website containing the Application Form.

By making an Application, you declare that you were given access to this Prospectus together with an Application Form.

Under the Corporations Act, a person must not pass an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5.00pm (AEST) on 6 May 2022 and it is your responsibility to ensure that this occurs.

(c) Is there a minimum or maximum Application size?

Applications must be for a minimum of 4,000 Shares. Applications in excess of the minimum number of Shares must be in multiples of 2,000 Shares.

The maximum amount that may be applied for under the Chairman's List Offer is 150,000 Shares per eligible investor up to an aggregate of $750,000 under the Chairman's List Offer. However, there

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is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant applied.

(d) How to pay

Applicants under the Chairman's List Offer must pay their Application Monies in accordance with the instructions for electronic payment on the online Application Form.

Payment must be made in Australian dollars and via Bpay®, and must otherwise be made in accordance with the instructions provided on your personalised invitation. Application Monies must be received by the Share Registry by 5:00pm (AEST) 6 May 2022. It is your responsibility to ensure that your Bpay® payment is received by the Share Registry by no later than 5:00pm (AEST) on 6 May 2022. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

(e) Application Monies

Application Monies received under the Chairman's List Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. Applicants under the Chairman's List Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any Application Monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

(f) How do I confirm my allocation?

Applicants in the Chairman's List Offer will be able to call the IPO Offer Information Line on 1300 404 327 (if calling within Australia) or +61 3 9415 4233 (if calling from outside of Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) to confirm their allocation from the Allotment Date.

If you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the IPO Offer Information Line.

9.14 **Retail Offer**

(a) Who may apply?

Any member of the general public in Australia may apply for Shares under the Offer using the Application Form.

(b) How to apply

If you wish to apply for Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form.

By making an Application, you declare that you were given access to this Prospectus together with an Application Form.

Under the Corporations Act, a person must not pass an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5.00pm (AEST) on 6 May 2022 and it is your responsibility to ensure that this occurs.

All Application Forms must be accompanied by payment in full of the Offer Price of $0.50 per Share applied for.

(c) Is there a minimum or maximum Application size?

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Applications must be for a minimum of 4,000 Shares. Applications in excess of the minimum number of Shares must be in multiples of 2,000 Shares.

There is no maximum amount that may be applied for under the Retail Offer. However, there is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant applied.

(d) How to pay

Payment must be made in Australian dollars and via Bpay®, and must otherwise be made in accordance with the instructions provided on the Application Form.

Application Monies must be received by the Share Registry by 5:00pm (AEST) 6 May 2022. It is your responsibility to ensure that your Bpay® payment is received by the Share Registry by no later than 5:00pm (AEST) on 6 May 2022. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

(e) Application Monies

Application Monies received under the Retail Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. No receipts will be issued. Applicants under the Retail Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any Application Monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

(f) How do I confirm my allocation?

Applicants in the Retail Offer will be able to call the IPO Offer Information Line on 1300 404 327 (if calling within Australia) or +61 3 9415 4233 (if calling from outside of Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays), to confirm their allocation from the Allotment Date.

If you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the IPO Offer Information Line.

9.15 Issue of New Shares

Conditional on the matters referred to in this Prospectus, the Company expects the issue of the New Shares will occur in accordance with the indicative timetable set out in Section 9.1.

The New Shares, from the time they are issued, will be fully paid Shares and will rank equally with Existing Shares. Full details of the rights attaching to the Shares are contained in the Corporations Act and the Company's Constitution. A summary of the Company's Constitution is set out in Section 10.2.

No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

9.16 Allocation policy

The allocation of Shares between the Institutional and Broker Firm Offer, the Chairman's List Offer and the Retail Offer will be determined by agreement between the Company and the Lead Manager having regard to the allocation policy described in Sections 9.12, 9.13 and 9.14. The Company in consultation with the Lead Manager has absolute discretion regarding the level of scale-back and the allocation of New Shares under the Offer (if any).

9.17 Brokerage and handling fees

No brokerage or handling fees will be paid in respect of Applications made.

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9.18 CHESS

The Company will apply to participate in the Securities Clearing House Electronic Subregister System (**CHESS**), and will maintain an electronic CHESS sub-register and an electronic issuer sponsored sub-register.

Accordingly, the Company will not issue Share certificates to successful Applicants but as soon as practicable after allocation, successful Applicants will receive a holding statement or allotment confirmation notice that sets out the number of New Shares that have been allocated to them pursuant to this Prospectus. The holding statement or allotment confirmation notice will also set out each successful Applicant's unique "Holder Identification Number" in the case of a holding on the CHESS sub-register, or "Securityholder Reference Number" in the case of a holding on the Company's issuer sponsored sub-register.

Shareholders will be provided with periodic holding statements showing any changes in their holdings of Shares. Shareholders may request a holding statement at any time (although an administration fee may be charged for these additional statements). It is the responsibility of Shareholders to determine their holding prior to trading in any Shares.

9.19 Foreign selling restrictions

(a) General

The Offer is being made in Australia only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia.

Without limiting the above, the Offer and this Prospectus does not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and to subscribe for, New Shares to the public, as defined in the South African Companies Act and will not be made or distributed, as applicable, to any person in South Africa in any manner which could be construed as an offer to the public in terms of the South African Companies Act.

(b) Beneficial holders

The foreign selling restrictions under the Offer apply to the underlying beneficial holder. Applicants applying on behalf of persons whose registered address is not in Australia are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions. Applicants who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

The Company is not required to determine whether or not any Applicant is acting as a nominee or the identity or residence of any beneficial interest holder applying for Shares. If any nominee or custodian is acting on behalf of a foreign person, that nominee or custodian, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

(c) United States of America securities law requirements

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The Shares may only be resold or transferred in the United States of America, or to, or for the account or benefit of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register any of the Shares in the United States of America.

(d) European Union

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (**Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

(e) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). Accordingly, this Prospectus may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

(f) New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**).

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(g) Norway

This Prospectus has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this Prospectus shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

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(h) Singapore

This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(i) Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Prospectus will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Prospectus nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This Prospectus is personal to the recipient and not for general circulation in Switzerland.

(j) United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

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In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

9.20 Professional advice

If you are in any doubt as to whether to accept the Offer, please consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser.

The Directors do not consider it appropriate to give Shareholders or investors advice regarding the taxation consequences of applying for New Shares under this Prospectus.

Southern Palladium, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or investors. As a result, Shareholders and investors should consult their professional tax adviser in connection with any aspect of the Offer and/or applying for New Shares under this Prospectus.

9.21 Disputes

The Board may settle, in any manner it thinks fit, any disputes or anomalies which may arise in connection with or by reason of the operation of the Offer, whether generally or in relation to any Shareholder, investor, Applicant or Application. The decision of the Board will be conclusive and binding on all persons to whom the determination relates.

9.22 Change to the Terms of the Offer

The Company reserves the right to waive strict compliance with or vary any provision of the Terms of the Offer, or to vary, suspend or terminate the Offer at any time without notice. If the Offer does not proceed, Application Payments will be refunded. No interest will be paid on any Application Payments refunded as a result of the withdrawal or termination of the Offer.

Failure to notify Shareholders or investors of changes to, suspension or termination of the Offer or the Terms of the Offer will not invalidate the change, suspension or termination.

The Company reserves the right to issue no New Shares or fewer New Shares than an Applicant applies for under the Offer if the Board believes the issue of those New Shares would contravene an ASIC class order, requirements or policies, any law or any ASX Listing Rule.

9.23 Electronic Prospectus

This Prospectus is available on-line at www.southernpalladium.com.

9.24 Privacy disclosure

The Company collects information in relation to each Applicant as provided on an Application Form (**Information**) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company (**Purposes**).

The Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the Share Register, including bidders for your Shares in the context of takeovers, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

You may request access to your personal Information held by or on behalf of the Company. You can request access to your personal Information or obtain further information about the Company's privacy practices by contacting the Share Registry. You may be required to pay a reasonable charge

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to the Share Registry in order to access your personal Information. The Company aims to ensure that the personal Information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

9.25 **Governing law**

This Offer is governed by the law in force in New South Wales, Australia. By accepting the Offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

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10 Additional Information

10.1 Corporate status

The Company was incorporated in Australia under the Corporations Act on 4 December 2020.

The Company is and will be subject to tax at the Australian corporate tax rate on its Australian taxable income. The Company's financial year ends on 30 June annually.

10.2 Company's Constitution and rights attaching to Shares

The Company's Constitution is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the Company is listed on the ASX.

A summary of the rights attaching to Shares under the Constitution is set out below. This summary is qualified by the full terms of the Constitution (copies of the Constitution may be inspected at the registered office of the Company during normal business hours by appointment with the Company Secretary) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory, ASX Listing Rules and common law requirements. For an investor to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, that investor should seek legal advice.

Voting	At a meeting of members, subject to the Constitution, and the Corporations Act, ASX Listing Rules, ASX Settlement Rules and CSF Rules (**Relevant Law**) and to any rights or restrictions attaching to any class of securities, a resolution of members must be decided on a show of hands unless a poll is effectively demanded or the chair decides that a poll will be held. Despite anything to the contrary in the Constitution, the Board may determine that a member who is entitled to attend and vote on a resolution at a meeting is entitled to vote at that meeting by direct vote (i.e. a vote delivered to the Company by post, fax or other electronic means approved by the Board) in respect of a resolution. Subject to the Constitution, the Relevant Law, and to any rights or restrictions attached to any class of securities, on a show of hands each member present in person or by proxy has one vote and on a poll each member present in person or by proxy has one vote for each fully paid share held by that member (and for each partly paid share a fraction of a vote equivalent to the proportion of the share which is paid). A member is not entitled to be counted in a quorum or cast a vote attached to a Share on which a call is due and payable and has not been paid.
Proxy	A member entitled to attend and cast a vote at a meeting of members may appoint an individual or body corporate (who need not be a member of the Company) as its proxy to attend and vote for that member at the meeting. The Board or chair of a meeting of members may deem an appointment of a proxy as valid even if it only contains some of the information required by section 250A(1) of the Corporations Act. Unless the Company has received written notice before the start or resumption of a meeting of members, a vote cast by the proxy at that meeting will be valid even if the appointing member dies, is mentally incapacitated, revokes the appointment, revokes the authority under which the proxy was appointed by a third party or the member transfers the share in respect of which the proxy was given.

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General meetings and notices	A Director may call a general meeting and the Directors must call an annual general meeting in accordance with the Corporations Act. Members may request or call and arrange to hold a general meeting in accordance with the Corporations Act. A general meeting may be held at two or more venues simultaneously, or wholly virtually, using any technology that gives members as a whole a reasonable opportunity to participate. Subject to the Constitution and the terms of issue of particular shares, each member is entitled to receive notice of, attend and vote at meetings of members of the Company. The quorum for a meeting of members is two (2) members entitled to vote at the meeting.
Dividends and share plans	Subject to the Constitution and the terms on which securities in the Company are on issue, the Board may declare, determine or pay any dividends as it sees fit. The Board may fix the amount, the time for payment and the method of payment. Subject to the rights of holders of securities in the Company issued on special terms a dividend may be declared, determined and paid on the securities in the Company of one or more classes (if any) to the exclusion of the other or others. The Board may direct payment of a dividend wholly or partly by the distribution in kind of specific assets. A holder of securities in the Company which are restricted securities will not be entitled to any dividend during the escrow period applicable to those restricted securities except as permitted by the ASX Listing Rules or ASX. Subject to the Relevant Law, the Board may establish and maintain plans as it thinks appropriate, and the Board is authorised to do all things it considers necessary or desirable to establish, implement and carry out each plan.
Issue of Shares	Subject to the Constitution, the Relevant Law and any special rights conferred on the holders of any existing securities or class of securities in the Company, securities in the Company may be issued or otherwise disposed of by the Board in such manner as it thinks fit. Subject to the Corporations Act, the Company may issue preference shares which are, or at the option of the Company are to be, liable to be redeemed, in such manner and on such terms and conditions as the Board determines.
Transfer of Shares	Generally, securities are freely transferrable subject to the procedural requirements of the Constitution and to the provisions of the Relevant Law. If permitted by the Relevant Law, the Directors may decline to register an instrument of transfer and, if the Company is admitted to the Official List, the Board must refuse to acknowledge or register a transfer or disposal of Restricted Securities during the escrow period (except as permitted by the ASX Listing Rules or ASX) and of any securities where the Company is, or the Board is, required to do so by the ASX Listing Rules.
Proportional takeover provisions	The registration of a transfer of Shares which would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the Constitution, unless renewed.
Winding up	Subject to the rights of the holders of securities in the Company issued on special terms, if the Company is wound up, the liquidator in a winding up may, with the sanction of a special resolution of the Company, divide the assets of the Company among the members and/or vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.
Variation of rights	The rights attached to securities in a class of shares may, unless their terms of issue state otherwise, be varied or cancelled with the written consent of holders of such shares

	with at least 75% of the votes in the class, or by a special resolution passed at a meeting of the class of holders holding shares in the class.
Directors – appointment, retirement and removal	The minimum number of Directors is three (3) and the maximum number of Directors is ten (10). Subject to the Constitution, the Company may appoint a person as a Director by resolution passed in general meeting. The Board may appoint a Director either in addition to existing Directors or to fill a casual vacancy, and such Director will hold office until the next annual general meeting (subject to the Constitution). A Director must retire from office at the end of the third annual general meeting following that Director's last appointment or three (3) years, whichever is longer. The Company may, subject to the Corporations Act, by resolution passed in general meeting remove any Director before the end of the Director's term of office and, if the outgoing Director is a non-executive Director, elect another person to replace the Director. A person appointed will hold office for the remainder of the term for which the Director replaced would have held office if the Director had not been removed. In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, Directors may be removed from office pursuant to any provision of the Relevant Law. If a managing or executive Director ceases to be employed by the Company or a related body corporate, then that person must also vacate his/her position as a Director.
Decisions of Directors	Unless the Board determines otherwise, the quorum for a meeting of Directors is two (2) Directors. A board resolution must be passed by a majority of the votes cast by Directors entitled to vote on the resolution. The Chairperson of a board meeting has a casting vote if necessary in addition to any vote he/she has in his/her capacity as a Director. The Directors may pass a resolution without a Board meeting being held if a majority of the Directors entitled to vote on the resolution (and being not less than the number required for a quorum at a Board meeting) sign a document containing a statement that they are in favour of the resolution set out in the document.

10.3 Capital structure

At the Prospectus Date, the Company's capital structure comprises Shares only.

Upon Completion, the Company's capital structure will comprise Shares, Series A Options, Series B Options and Performance Rights as detailed below.

The current and proposed capital structure of the Company on Completion is set out in the table below.

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Shareholders	As at the Prospectus Date		Securities on Completion							
			Minimum Subscription					Maximum Subscription		
	Number of Shares	Percentage	Number of Shares	Number of Options	Number of Performance Rights	Percentage *	Number of Shares	Number of Options	Number of Performance Rights	Percentage *
Substantial shareholders										
Regal Funds Management^^	1,680,000	26.88%	1,680,000	-	-	1.81%	1,680,000	-	-	1.73%
Sprott Asset Management^*	760,000	12.16%	760,000	-	-	0.82%	760,000	-	-	0.78%
Lowell Resources Fund	625,000	10.00%	625,000	-	-	0.67%	625,000	-	-	0.64%
Clarkson Boathouse Pty Limited^	466,670	7.47%	466,670	-	-	0.50%	466,670	-	-	0.48%
Jackie Au Yeung	375,000	6.00%	375,000	-	-	0.40%	375,000	-	-	0.39%
Nurinox	-	-	8,327,394	-	-	8.96%	8,327,394	-	-	8.58%
Legacy	-	-	5,108,194	-	-	5.50%	5,108,194	-		5.26%
Directors and management										
Terence Goodlace	-	-	-	200,000	-	0.22%	12,656,992	200,000	-	0.21%
Johan Odendaal	-	-	12,656,992	100,000	-	13.73%	500,000	100,000	-	13.14%
Geoff Hiller	500,000	8.00%	500,000	1,100,000	400,000	1.72%	583,333	1,100,000	400,000	1.65%
Mike Stirzaker	583,333	9.33%	583,333	1,100,000	400,000	1.81%	750,010	1,100,000	400,000	1.73%
Rob Thomson	750,010	12.0%	750,010	1,100,000	400,000	1.99%	12,656,992	1,100,000	400,000	1.91%
Daan van Heerden	-	-	12,656,992	100,000	-	13.73%		100,000		13.14%
Other shareholders										
Other existing shareholders	509,987	8.16%	4,183,323	-	-	4.50%	4,183,323	-	-	4.31%
New shareholders	-	-	53,407,420	3,478,000^*^	-	61.21%	57,407,420	3,638,000^*^	-	62.88%
Total	**6,250,000**	**100.00%**	**85,750,000**	**7,178,000**	**1,200,000**	**100.00%**	**89,750,000**	**7,338,000**	**1,200,000**	**100.00%**

Notes:

* On a fully diluted basis, but excluding the Performance Rights (given they are subject to achievement of the Initial Reserve Milestone).

** The terms of the Options (Series A and B) and Performance Rights are set out in Sections 10.3(a), 10.3(b) and 10.3(c) respectively.

^ 233,335 Shares held by Clarksons Boathouse Pty Ltd as trustee for Clarkson Super Fund Account and 233,335 Shares held by Clarksons Boathouse Pty Limited as legal and beneficial holder.

^^ CS Third Nominees Pty Ltd as trustee for HSBC Cust Nom Au Ltd 13 A/c.

^* Drill Driven Alpha Fund, LP.

^*^ These are the Alignment Options to be issued to the Lead Manager on completion of the Offer in accordance with the terms of the Offer Management Agreement. The terms of the Alignment Options are set out in Section 10.8(i).

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Between the Prospectus Date and Completion, the Company proposes to issue 45,500,000 Shares to the Vendors, 3,000,000 Series A Options and 1,200,000 Performance Rights (divided equally between Geoff Hiller, Mike Stirzaker and Rob Thomson (or their related entities)). Additionally, 700,000 Series B Options in aggregate will be issued to the Directors at Completion.

(a) Series A Options

The Series A Options vest on the date of Listing, expire four years after the date of Listing, and have an exercise price of 87.5c each (being a 75% premium to the Offer Price). The Series A Options will not be quoted on the ASX or JSE. Shares issued on exercise of the Series A Options will have the same rights as all other Shares on issue.

(b) Series B Options

The Series B Options will vest in two equal tranches, 50% after completion of one year's service post Listing on the Board and the second 50% vesting after completion of two years' service post Listing. The Series B Options expire four years after the date of Listing, and have an exercise price of 87.5c each (being a 75% premium to the Offer Price). The Series B Options will not be quoted on the ASX or JSE. Shares issued on exercise of the Series B Options will have the same rights as all other Shares on issue.

(c) Performance Rights

The Performance Rights are rights to be issued with Shares that will vest upon the achievement of the Initial Reserve Milestone and, upon vesting, can be converted into Shares on a 1-1 basis. The Performance Rights will lapse if the Initial Reserve Milestone is not achieved within four years after the date of the Listing.

Performance Rights do not carry dividend or voting rights prior to vesting. Shares issued on vesting will have the same rights as all other Shares on issue.

The Company's free float at the time of Listing will be not less than 20%. Furthermore, the Company has satisfied the requirements of the JSE Listings Requirements regarding the spread of its Shareholders, including that: (i) there is sufficient liquidity in respect of the Shares held on the South African branch share register; and (ii) not less than 20% of the Shares of the issued ordinary share capital of the Company is held by the public, in each case, at the point of Listing on the JSE.

10.4 BEE ownership interests

As noted in Section 3.9, and in the context of the Project, B-BBEE is principally determined and achieved in terms of section 104 of the MPRDA through the Bengwenyama (as the relevant local community) holding an indirect minimum ownership interest of at least 30% in the Prospecting Right (which minimum ownership threshold, as well as the shareholder rights required to be held as part of that shareholding, were established and pronounced upon by the High Court in the litigation referred to in Section 3.6).

10.5 Escrow

As a condition of admitting the Company to the Official List, the ASX may classify certain Existing Shares as restricted securities in accordance with the ASX Listing Rules. Any such classification will restrict the transfer of effective ownership or control of any restricted securities without the written consent of the ASX and for such period as the ASX may determine.

Prior to Listing, Existing Shareholders holding restricted securities must enter into restriction agreements with the Company on the terms set out in the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform and the SENS prior to commencement of official quotation of the Shares.

As at the date of this Prospectus, the Company believes that up to 46,761,673 Shares (including 1,261,673 Shares held by Directors and 45,500,000 Shares to be issued to the Vendors on completion of the Acquisition) representing approximately 54% of Shares on issue on Completion of the Offer on a Minimum Subscription and 52% of Shares on issue on a Maximum Subscription will be subject to ASX imposed escrow. The Options held by Directors and the Lead Manager on Completion of the Offer may be subject to some form of ASX imposed compulsory restriction

arrangement for up to 24 months under the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform and on SENS prior to commencement of official quotation of the Shares.

None of the New Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. Other than as disclosed in Section 10.8(a), no Shares will be subject to voluntary escrow arrangements.

10.6 **Dividends**

Being at the advanced exploration stage, the Company does not currently earn any revenue, and this situation is not expected to change in the next two years. Accordingly, the Company does not have a dividend policy and no dividends will be payable for at least a period of two years following the Company's Listing on the ASX and the JSE. The Board will review the policy if and when the Company starts to generate revenue.

The Directors can give no assurance as to the amount, timing, franking or payment of any future dividends by the Company. The capacity to pay dividends will depend on a number of factors including future earnings.

10.7 **Litigation**

To the knowledge of the Directors, there is no litigation threatened against the Company and its subsidiaries and no litigation threatened by the Company or its subsidiaries. The Directors are not presently aware of any circumstances likely to give rise to any of the above.

10.8 **Material contracts**

Set out below is a brief summary of certain contracts which have been entered into by the Company. These are important contracts for the Company and have accordingly been identified as relevant information of which an investor in the Company should be aware.

(a) **Share Exchange Agreement**

MUM, the Company and each of the sellers as contemplated in Schedule 1 of the agreement (including, amongst others, the Atlantic Parties, Legacy, Segall, Leibowitz, Spitzkoppe Trust and the Nurinox Parties) (**Sellers**) (collectively, **the Parties**) entered into a Second Amended and Restated Share Exchange Agreement (**Second Agreement**) on or about 23 March 2022, the purpose of which was to amend and restate the First Amended and Restated Share Exchange Agreement entered into on or about 14 September 2021 (**First Agreement**), such that the rights and obligations of the Parties to the First Agreement are now exclusively governed by and construed in accordance with the provisions of the Second Agreement.

The Second Agreement provided clarification that subsequent to the execution of the First Agreement, there was a transfer of the beneficial interest in MUM held by:

- the C L Investment Trust to Segall;
- the Spitzkoppe Asset Trust to Spitzkoppe Trust; and
- the Forest Avenue Trust to Atlantic.

The suspensive conditions of the Second Agreement are summarised as follows:

- each of Nurinox, Atlantic, Atlantic Parties, Spitzkoppe Trust, Legacy and the Company deliver the necessary board resolutions authorising the execution and implementation of the Second Agreement;
- each of the Company and the Sellers conduct a comprehensive due diligence investigation in respect of MUM and the Company, respectively (**Reciprocal Due Diligence Investigations**);
- MUM, if necessary, will enter into a separate agreement with each of Nurinox and Maphanga, whereby MUM will lend sufficient monies to each of Nurinox

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and Maphanga to cover any capital gains tax liability that each of Nurinox and/or Maphanga may incur as a result of the implementation of the Acquisition and the Second Agreement;

- the Company and Nurinox enter into a new shareholders' agreement which will become effective on or before the Acquisition;

- the terms of a new memorandum of incorporation for MUM are agreed upon by the Company and Nurinox, and the Sellers shall pass the necessary special resolutions for the replacement of the existing governing document with this new memorandum of incorporation and the Sellers shall procure the lodgement of same with the relevant authority in South Africa;

- regulatory approvals, if and to the extent applicable, are obtained. These include section 11 consent in terms of the MPRDA, South African Reserve Bank approval and an exemption granted by the Takeover Regulation Panel in terms of the South African Companies Act;

- the Company receives from each of the ASX and the JSE a conditional admissions letter;

- Nurinox, Atlantic (in its capacity as a representative on behalf of the relevant beneficial shareholders), Legacy and the Company provide their respective notices confirming that no "*Material Adverse Change*" has occurred in relation to MUM or the "*Project*" or the Company, as the case may be.

The purpose of the Reciprocal Due Diligence Investigations is for the Company, Nurinox, Legacy, Maphanga, Liebowitz, Segall, Spitzkoppe Trust and the Atlantic Parties to have access to such information and documentation as is necessary in order to assess the financial conditions and prospects of MUM and the Company, as the case may be.

The share exchange transaction contemplates that on the Acquisition Date, the Company (or its nominee) will purchase the relevant shares in MUM from the Sellers, the consideration for which will be the issue by the Company of the Shares as set out in Section 3.3. However, the issue of half of these Shares is conditional and subject to a clawback arrangement whereby the Company may be entitled to repurchase all, or a portion of these Shares issued to the Sellers. A summary of the Clawback provision is contained in Section 3.3.

The implementation of the Second Agreement will take place, whereby, amongst other things:

- the Company (or its nominee) will become the registered holder and beneficial owner of 70% of the issued shares in MUM;

- unless waived by the Company, the Sellers' (excluding Nurinox) nominee directors will resign as directors of MUM and the Company's nominee(s) will be appointed to the board of directors of MUM; and

- the Company will provide reasonable documentary proof of the Company having issued the Shares (or, if in uncertificated form, such other evidence as may be customary to reflect such uncertificated shareholding) to the Sellers, following which the Company will deliver the new share certificates to each of the Sellers and the Company's securities register will be updated to reflect the Sellers as shareholders of the Company.

The Second Agreement stipulates that the Sellers will agree to any escrow requirements over their Shares as determined by the ASX. Furthermore, each of the Sellers has, in relation to their Clawback Shares, agreed to extend the escrow deed beyond the period required by the ASX up to the earlier of the date when any Clawback has been formally determined and the fourth anniversary of the Listing Date.

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The Second Agreement sets out that the Sellers each waive any pre-emptive rights in relation to the shares they held in MUM and waive any other rights or entitlements they may have pursuant to the memorandum of incorporation of MUM and the existing MUM shareholders' agreement.

If the IPO is not implemented on or before 30 June 2022 then the Board must engage in good faith with the Sellers to discuss and, if appropriate agree whether the IPO may be undertaken on alternative terms. The proceeds from the IPO will be used to repay "*Shareholders' Loans*" and advance the Project in order for it to achieve the Project Milestones. These claims on loan account against MUM, and beneficially held by either the Sellers or a person that was a party to the First Agreement, amount to ZAR2,140,994.

The Second Agreement sets out various obligations imposed on the Sellers and MUM during the period between the date from which the Second Agreement was signed by all the Parties until the Acquisition (**Interim Period**). The purpose of these obligations is to, *inter alia*, ensure that MUM's business and operations are consistent with its past practice and to ensure no amendments are made to the constitutional documents and structure of MUM beyond those contemplated as part of the Acquisition. The Company has obligations during the Interim Period relating to its management structure and efforts to achieve the IPO.

Specific warranties are provided by the Sellers which are standard for transactions and agreements of this nature, which warranties are qualified by certain disclosures set out in the Second Agreement. The Company provided warranties, amongst other things, in relation to the status and ranking of the Shares issued to the Sellers.

The Company's claim against the Sellers (including claims for breach of warranties) is limited in that no liability shall attach to the Sellers for a claim unless, each individual claim exceeds ZAR200,000 and the aggregate of all amounts payable exceeds the sum of ZAR1,000,000. Additionally, the Company will not be entitled to make a claim against the Sellers after one year from Acquisition. The aggregate liability for a claim that the Company has against the Sellers cannot exceed the relevant consideration amount in relation to the Shares subject to the Clawback.

The Second Agreement otherwise contains other provisions that are customary and standard for agreements of this nature.

(b) **Shareholders' Agreement**

A new MUM shareholders' agreement was entered into between the Company, Nurinox and MUM on or about 10 May 2021 and subsequently amended on or about 23 March 2022 (**New Shareholders' Agreement**). This amendment included, but was not limited to, confirming that Nurinox's effective economic interest in MUM shall be 44.94%, via a 30% direct holding into MUM and a further indirect holding of 14.94% through its proposed 21.34% shareholding in the Company immediately prior to the IPO. The purpose of the New Shareholders' Agreement is to regulate the relationship between the shareholders, and the shareholders and MUM, pursuant to the Acquisition. Accordingly, the New Shareholders' Agreement shall become unconditional and effective following the Acquisition.

The New Shareholders' Agreement largely replicates the existing MUM shareholders' agreement, which was approved and amended following the relevant court judgements and orders described in Section 3.6.

Funding required by MUM for purposes of working capital will be provided firstly, by bank (or other institutions) loan arrangements, and secondly by the Company and/or Nurinox providing funding or third-party funding. However, Nurinox will not be obliged to provide further funding to MUM. As a last resort, any additional funding shall be provided out of the proceeds of the allotments and issue of MUM's share capital. Should such allotment and issue of shares to a third party occur, under no circumstance can Nurinox's shareholding in MUM be diluted below the levels set by the Mining Charter and/or the MPRDA from time to time.

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The terms of any loan advanced to MUM includes that (i) the loan shall bear interest as the Prime Rate (as defined in the New Shareholders' Agreement), (ii) the loan shall be repaid out of cash available for distribution, and (iii) the loan is repayable on the date of liquidation of MUM (either final or provisional).

The composition of the board is such that the Company shall be entitled to appoint three directors to the board, and Nurinox shall be entitled to appoint three directors to the board including proposing to the board the chairman, for a combined maximum of six directors. The persons appointed by Nurinox are required to be Historically Disadvantaged South Africans (as contemplated in the Mining Charter).

A meeting of the directors' will be quorated if there are at least four directors present, and at least two directors appointed by each of the Company and Nurinox will need to be present at the meeting. If no quorum is met at a directors' meeting, the chairman shall postpone the meeting. It is required that at least two board meetings are to be held per year at dates to be determined at the commencement of each financial year.

Resolutions voted on by the board will be passed by a majority vote. Voting at a directors' meeting will take place by way of show of hands and each director will have one vote. Whereas for a written resolution, all the directors appointed by each shareholder entitled to make such appointment are required to sign the resolution in order for it to be adopted.

The Company shall be entitled to propose to the board the Chief Executive Officer of MUM, to which proposal the board shall vote. The Chief Executive Officer has various responsibilities, including but not limited to preparing annual business plans and budgets, preparing balance sheets and maintaining adequate insurance cover.

Shareholders' meetings shall be held annually and the quorum for shareholders' meetings shall be two representatives of each shareholder. In relation to a written resolution, the resolution will need to be submitted to all shareholders entitled to exercise voting rights in relation to that resolution. A written resolution of the shareholders will be adopted once signed by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be. The New Shareholders' Agreement contains a "*deadlock*" provision however, as a result of the shareholding structure of MUM, this would not be applicable.

Appendix 1 of the New Shareholders' Agreement sets out minority protections, which include, amongst other things:

- the alternation of the issued and/or authorised share capital of MUM, including the allotment and issue of shares in MUM and the authorisation to issue share certificates of MUM;
- the appointment or dismissal of MUM's auditor;
- the granting of any loan in excess of R100,000;
- borrowing at any time of more than an amount of R1,000,000;
- the approval of a major transaction and contracts outside the ordinary course of business or of the scope of the approved annual business plan of budget;
- the appointment of senior executives of MUM;
- making of any loans to directors or senior executives of MUM;
- the repayment in whole or in part of any loan accounts;
- any matter relating to the financing or capital of borrowings of MUM which would have the effect of directly or indirectly reducing the proportionate shareholding of any shareholder in MUM;
- approval of the audited financial statements of MUM;

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- any change to the financial year end of MUM; and
- the appointment of any additional directors.

A special resolution and/or any of the reserved matters in Appendix 1 requires approval from shareholders holding not less than 74.1% of the issued share capital.

Any unissued shares in MUM, before they are issued, shall first be offered to the shareholders of MUM on a pro-rata basis to the number of shares held by each shareholder at that time. Should a shareholder not wish to take any shares, the shares will be offered to the remaining shareholders that have taken up the offer for their portion of the unissued shares. However, the parties undertake to ensure that HDSA's (being Historically Disadvantaged South Africans as contemplated in the Mining Charter) shall at all times hold (i) at least 26% of the shares in the issued share capital of MUM or (ii) the minimum percentage of shares in the issued share capital as required in the Mining Charter and the MPRDA, whichever percentage is higher.

The New Shareholders' Agreement also contains a "*pre-emptive*" clause in respect of a shareholder wishing to dispose of their shares in and claims against MUM. Any shareholder wishing to sell its shares may only do so if the corresponding portion of its shareholder loans are simultaneously sold and transferred/ceded to the purchasing party. Should Nurinox be the seller of its shares, the third party must, in the case of a juristic person, be a company which is in compliance with the Mining Charter and the MPRDA and the purchaser must be acceptable to the Company.

The New Shareholders' Agreement contains various trigger events that will result in a shareholder being deemed to have offered their shares for sale to the remaining shareholders on the same basis as the pre-emptive provision, except the purchase price will be equal to the fair market value thereof. However, the Company shall not be forced to offer its shares to Nurinox, if the Company ceases to be controlled by or becomes controlled by a person other than the person(s) who ultimately controlled it (directly or indirectly) at the date of entering into the New Shareholders' Agreement and if this change in control in the Company occurred either as a result of the transactions contemplated in the Share Exchange Agreement or as may occur after the shares of the Company have been admitted to trading on the ASX and the JSE.

"*Come along*" and "*Tag along*" provisions are catered for in the New Shareholders' Agreement, however, due to holding the majority of the issued shares in MUM these should not be of concern to the Company.

Nurinox has an obligation to ensure that 51% of the shareholding, control and interest in it is held by Bengwenyama or entities directly controlled by Bengwenyama and each year from the signature date of the New Shareholders' Agreement, it must be able to provide evidence to satisfy this requirement.

(c) **MUM New Memorandum of Incorporation (New MOI)**

Pursuant to the Acquisition, a new MUM memorandum of incorporation (**New MOI**) shall be lodged with the Companies and Intellectual Property Commission.

The New MOI complies with the South African Companies Act, the New Shareholders' Agreement and the relevant court judgements and orders discussed in Section 3.6.

The New MOI may only be amended by way of:

- a court order on the basis set out in the Companies Act;
- a special resolution of the shareholders; or
- as contemplated in section 17 and 152(6)(b) of the Companies Act,

and all special resolutions to be passed at a shareholders' meeting shall require the approval of not less than 74.1% of the votes cast by shareholders present and voting at the shareholders' meeting, provided that any such special resolution shall always

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require the approval of the Company for so long as it holds more than 25.9% of the issued share capital of MUM.

The New MOI permits that any resolution that could be voted on at a shareholders' meeting may instead be voted on by written resolution, provided same resolution(s) are submitted for consideration to the shareholders and voted on in writing within 20 business days of submission to them. In this instance the same approval percentages apply, namely, more than 50% for ordinary resolutions and not less than 74.1% for special resolutions, with the added proviso that a special resolution always requires the approval of the Company for so long as it holds more than 25.9% of the issued share capital of MUM.

The board of directors of MUM are not permitted to make any rules relating to the governance of MUM.

In relation to the financial aspects of MUM, the New MOI requires MUM to have its annual financial statements audited and for the appointment of a company secretary. The audited financial statements are then required to be submitted annually to the Companies and Intellectual Property Commission, along with the prescribed fees.

The holders of the issued shares in MUM are entitled to exercise one vote per share and to participate *pro rata* in any distribution or in any residual value upon the dissolution of MUM. The board shall not have the power to, amongst other things, alter the number of authorised shares, reclassify shares or determine the preferences, rights, limitations or other terms of any shares. These powers vest in the exclusive control of the shareholders by way of a special resolution.

The New MOI contains the pre-emptive rights of shareholders of MUM, which rights are the same as set out in the New Shareholders' Agreement.

Should any New Securities be offered to the existing shareholders of MUM in accordance with the above, the shareholders undertake to ensure that HDSAs shall at all times hold:

- at least 26% of the shares in the issued share capital of MUM; or
- the minimum percentage of shares in the issued share capital of MUM as stipulated in the Mining Charter and the MPRDA from time to time,

whichever percentage is the greater.

Furthermore, should MUM elect to issue debt instruments to third parties, the board is entitled to grant special privileges to the holder(s) of these debt instruments, provided a special resolution of the shareholders is passed. The board is further not entitled to issue capitalisation shares, unless a special resolution of the shareholders is passed.

The New MOI states that securities issued by MUM shall be held by and registered in the name of the owner thereof and that no person other than the registered holder of the security shall be entitled to exercise any of the rights associated with that security and MUM shall not recognise any person other than the registered holder of a security as the holder of that security. Accordingly, the New MOI limits and restricts the holding of MUM's securities by a registered holder for the beneficial interest of another person. Further, securities may be held by two or more persons jointly.

Due to the nature of MUM being a private limited liability company, shares are not freely transferable, unless the shareholder wishing to sell his/its shares first complies with the provisions of the New MOI and the New Shareholders' Agreement and obtains written approval of the board.

Shareholders' meeting shall be held annually, and any other general meeting of MUM may be held at any time provided that such shareholders' meetings are held in accordance with the provisions of the South African Companies Act.

Any shareholder shall be entitled to convene a shareholders' meeting, provided at least 10 business days' written notice is given by the board to all shareholders. However, if

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such notice period has not been complied with, there is provision that the shareholders' meeting in question may occur provided every person entitled to exercise voting rights is present at the meeting and votes in favour to waive the required minimum notice period of the meeting. The chairperson of any MUM shareholders' meeting shall be the person nominated and appointed as chairperson of the board of directors, which appointment shall be in accordance with the South African Companies Act and the New Shareholders' Agreement. Such chairperson shall not be entitled to a second or casting vote in addition to his deliberative vote (if any) at a shareholders' or board meeting.

Due to the shareholding of MUM following the Acquisition, the required quorum for a shareholders' meeting to proceed is that two duly authorised representatives of each of Nurinox and the Company are present, either in person or by proxy, subject to the further qualifications contained in the New MOI.

All voting at shareholders' meetings shall take place by way of poll, with each shareholder being entitled to exercise one vote per share on any matter to be decided by a vote of the shareholders.

Shareholders are entitled to make use of a proxy to act on behalf of the shareholder, provided that the instrument of proxy or power of attorney for any particular meeting shall be in the form annexed to the New MOI and (i) delivered to MUM at its registered address not less than 24 hours prior to a meeting or (ii) otherwise handed to the chairman of the meeting prior to exercising the relevant voting rights in terms of such instrument of proxy, failing which the instrument of proxy or power of attorney shall not be valid.

The New MOI does not restrict the authority of the board of directors of MUM to manage the business and affairs of MUM. The board of directors of MUM may delegate to any one or more persons all such powers and delegate to any one or more persons the doing of all such things and the board may appoint one or more of the directors as executive directors who shall be employees of MUM.

Meetings of the board are to be held at least twice a year at dates to be determined at the commencement of each financial year of MUM. The quorum required at a board meeting is that at least four directors are present provided further that there shall be no quorum at any board meeting unless two directors nominated by each of Nurinox and the Company are present (or, if they only have one nominated director appointed, then that nominated director shall need to be present). At least seven business days' prior written notice of the board meeting is required to be given by MUM to all the directors.

Each director, or his alternate, shall have one vote. Resolutions of the board of MUM are to be approved by a majority vote of the directors present and voting.

A decision that could be voted on at a meeting of the board may instead be adopted by a written resolution that has been submitted to and signed by all of the directors (or their alternates) within 14 days of that resolution having been proposed, failing which the resolution shall be null and void and of no force and effect. An alternate director shall only be entitled to sign such a written resolution if the director to whom he is an alternate director is, at the time of the alternate director's signature, absent from South Africa or is incapacitated.

The New MOI does not limit the authority of MUM to pay remuneration to the directors for their services, provided a special resolution is passed by the shareholders within the previous two years, and may likewise advance expenses to or indemnify a director for liabilities in relation to the defence of legal proceedings arising out of his service to MUM and MUM may reimburse all travelling, subsistence and other expenses properly incurred.

MUM shall be obliged to indemnify each director against any loss, liability, damage, cost (including all legal costs reasonably incurred) or expense which that director may suffer as a result of any act or omission of that director in his capacity as a director of MUM, subject to a few limitations.

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Subject to the South African Companies Act and a relevant special shareholders' resolution being passed within the previous two years, the board may authorise MUM to provide financial assistance for, amongst other things, the acquisition of shares or securities in MUM, as well as provide direct or indirect financial assistance to a director or prescribed officer of MUM, or of a related or inter-related company or corporation, or to a related or inter-related company, or to a member of a related or inter-related company, or to a person related to any such company, corporation, director, prescribed officer or member.

Appendix 3 of the New MOI sets out minority protections, which mirror those contained in Section 10.8(b) above.

(d) **Loan Facility and Services Agreement**

On or about 20 May 2021, MUM and the Company entered into a loan facility and services agreement, which was subsequently amended and restated on or about 22 March 2022 (**Loan Agreement**) the purpose of which is to record the terms and conditions pursuant to which the Company will provide, or provide the means through which, MUM can access from the Company the financial and technical support and/or expertise that MUM requires.

The Company grants a facility for an amount equal to the total of the amount (i) set out in the Prospecting Work Programme budget (which as at the date of this Prospectus is A$19 million) to be used by MUM for the sole purpose of carrying out the "*Prospecting Operations*" and to give effect to the "*Prospecting Work Programme*" (**Prospecting Facility**) and (ii) the Company is required to advance to each of Nurinox and Maphanga, as contemplated in the loan agreements set out in 10.8(e) and 10.8(f) below (**CGT Loan Facility**).

The Loan Agreement is subject to and conditional upon approval thereof by the board of directors of MUM and the Company, as well as receiving approval from an Authorised Dealer for the Prospecting Facility and the CGT Loan Facility, which suspensive conditions are in the process of being fulfilled.

In order for the Company to advance amounts in terms of the Prospecting Facility and/or the CGT Loan Facility (collectively, **the Loan Facilities**), it will need to receive an advance request from MUM. The advance request is required to specify certain information such as the requested drawdown amount, the date on which the drawdown should be advanced and the aggregate of all previous advanced amounts. Following receipt of the advance request, the Company will be required to advance the relevant amount within ten business days.

The outstanding loan amount (being the aggregate amount, from time to time, owing by MUM to the Company pursuant to the advances under the Loan Facilities and interest thereon) shall accrue interest at the base lending rate for US$ (current prime rate, being 3.25%), and amongst other things, interest on the outstanding balance will not be compounded.

The payment terms of the outstanding loan amount shall be repaid in full by MUM to the Company by no later than five years from the date that MUM commences "*Commercial Mining Operations*" in respect of the Prospecting Facility and by no later than three months after receiving the repayment of the respective loans from Nurinox and Maphanga, in respect of the CGT Loan Facility and the Company shall not be entitled to demand repayment for the outstanding loan amount before this date.

MUM shall be entitled to settle any outstanding loan amount at any time prior to the designated repayment date, although MUM may not re-borrow any part of the facility which has been repaid to the Company.

During the period in which there is an outstanding loan amount, MUM is bound by a number of undertakings relating to, amongst other things, maintain its corporate existence and records and notify the Company of any event of default. A number of events provided in the Loan Agreement constitute an event of default, including but not limited to, using the advanced amounts for a purpose other than the purpose as set

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out in the Loan Agreement and breach or omission by MUM to carry out its obligations or undertakings as contemplated in the Loan Agreement. If any of these events continue to occur, the Company shall be entitled to (i) claim immediate payment of the outstanding loan amount (by providing written notice to MUM); (ii) demand specific performance; and/or (iii) claim payment for losses, liabilities, damages, taxes etc. incurred by the Company under the Loan Agreement as a result of the event of default.

In relation to the provision of technical resources and expertise contemplated in the Loan Agreement, the Company shall provide machinery, equipment and technical expertise necessary for MUM to be able to conduct and carry out the Prospecting Operations and the Prospecting Work Programme.

The Loan Agreement otherwise contains contractual provisions, that are standard for agreements of this nature.

(e) **Loan Agreement between MUM and Nurinox**

On or about 23 March 2022, MUM and Nurinox entered into a loan facility agreement (**Nurinox Loan Agreement**), the purpose of which is to record the terms and conditions pursuant to which MUM will provide, or provide the means through which, Nurinox can access financial support up to the amount of any CGT liability for which it may be liable to the South African Revenue Service (**SARS**) (**Nurinox Loan Facility**) arising directly from the receipt of its portion of the Consideration Shares which it will receive upon completion of the Acquisition.

The terms of the Nurinox Loan Agreement are standard commercial loan terms for facilities of this nature, and include the following:

- the maximum amount of the Nurinox Loan Facility shall be R2,625,000 and denominated in Rand. In the event that the CGT liability exceeds the maximum amount of the Nurinox Loan Facility, MUM shall use its reasonable endeavours to obtain shareholder approval for any additional amount required;
- the Nurinox Loan Facility shall be available for drawdown during the period between the satisfaction of the suspensive conditions contained in the Nurinox Loan Agreement and the due date for payment of any relevant CGT liability;
- the drawdown under the Nurinox Loan Facility must be used to pay the actual CGT liability due to SARS, provided that Nurinox can demonstrate an actual CGT liability arising directly from its sale of a portion of its shares held in MUM, and may not be used for any other purpose. MUM is entitled in its discretion to pay this amount directly to SARS, which will then constitute a drawdown under the Nurinox Loan Facility of that amount;
- Nurinox shall only be entitled to drawdown under the Nurinox Loan Facility to the extent that it does not have sufficient, non-escrowed Shares (either due to an ASX imposed escrow or voluntary escrow arrangements) to sell in order to meet its CGT liability;
- the Nurinox Loan Facility shall be repayable by the date that is three months after the date on which the Shares held by Nurinox are released from any escrow restrictions and become tradeable. This three-month period may be extended if the expiry thereof falls within a period during which the Company's Shares cannot be traded (see the Company's Securities Trading Policy, as summarised in Section 8.6(b));
- the Nurinox Loan Agreement requires MUM and Nurinox to enter into a Pledge Agreement, whereby Nurinox is to secure its obligations under the Nurinox Loan Agreement to MUM and it will be required to deliver to MUM (i) a share transfer form in respect of the Shares being pledged, duly completed and signed but undated and otherwise in blank as to the transferee and (ii) the share certificates (or, if in uncertificated form, such other evidence as may

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be customary to reflect that such uncertificated shareholding has been pledged to MUM in terms of the Pledge Agreement); and

- the outstanding amount under the Nurinox Loan Facility shall accrue interest at the prime rate (being the basic quoted lending rate at which FirstRand Bank Limited lends to its customers on unsecured overdraft as certified by any general manager of that bank) plus a margin of 2.0%, and amongst other things, interest on the outstanding balance will not be compounded.

(f) **Loan Agreement between MUM and Maphanga**

On or about 22 March 2022, MUM and Maphanga entered into a loan facility agreement (**Maphanga Loan Agreement**), the purpose of which is to record the terms and conditions pursuant to which MUM will provide, or provide the means through which, Maphanga can access financial support up to the amount of any CGT liability for which it may be liable to the South African Revenue Service (**SARS**) (**Maphanga Loan Facility**) arising directly from the receipt of its portion of the Consideration Shares which it will receive upon completion of the Acquisition.

The terms of the Maphanga Loan Agreement are standard commercial loan terms for facilities of this nature, and include the following:

- the maximum amount of the Maphanga Loan Facility shall be R875,000 and denominated in Rand. In the event that the CGT liability exceeds the maximum amount of the Maphanga Loan Facility, MUM shall use its reasonable endeavours to obtain shareholder approval for any additional amount required;

- the Maphanga Loan Facility shall be available for drawdown during the period between the satisfaction of the suspensive conditions contained in the Maphanga Loan Agreement and the due date for payment of any relevant CGT liability;

- the drawdown under the Maphanga Loan Facility must be used to pay the actual CGT liability due to SARS, provided that Maphanga can demonstrate an actual CGT liability arising directly from its sale of a portion of its shares held in MUM, and may not be used for any other purpose. MUM is entitled in its discretion to pay this amount directly to SARS, which will then constitute a drawdown under the Maphanga Loan Facility of that amount;

- Maphanga shall only be entitled to drawdown under the Maphanga Loan Facility to the extent that it does not have sufficient, non-escrowed Shares (either due to an ASX imposed escrow or voluntary escrow arrangements) to sell in order to meet its CGT liability;

- the Maphanga Loan Facility shall be repayable by the date that is three months after the date on which the Shares held by Maphanga become tradeable. This three-month period may be extended if the expiry thereof falls within a period during which the Company's Shares cannot be traded (see the Company's Securities Trading Policy, as summarised in Section 8.6(b));

- the Maphanga Loan Agreement requires MUM and Maphanga to enter into a Pledge Agreement, whereby Maphanga is to secure its obligations under the Maphanga Loan Agreement to MUM and it will be required to deliver to MUM (i) a share transfer form in respect of the Shares being pledged, duly completed and signed but undated and otherwise in blank as to the transferee and (ii) the share certificates (or, if in uncertificated form, such other evidence as may be customary to reflect that such uncertificated shareholding has been pledged to MUM in terms of the Pledge Agreement); and

- the outstanding amount under the Maphanga Loan Facility shall accrue interest at the prime rate (being the basic quoted lending rate at which FirstRand Bank Limited lends to its customers on unsecured overdraft as

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certified by any general manager of that bank) plus a margin of 2.0%, and amongst other things, interest on the outstanding balance will not be compounded.

(g) **Minxcon Mandate**

On or about 10 December 2021 MUM entered into a mandate arrangement with Minxcon Proprietary Limited (**Minxcon**), a mining and exploration consulting company, the purpose of which relates to the implementation, co-ordination and management of the pre-exploration activities of the Bengwenyama Project (**Activities**).

Two of the Company's Directors, Johan Odendaal and Daan van Heerden, are significant and controlling shareholders in Minxcon. Refer to Section 10.8(g) for further information.

Minxcon undertakes to carry out the Activities until such time as formal exploration activities commence on the relevant site. The mandate anticipates that the start date for the drilling programme is March / April 2022.

The Activities further include field exploration (including but not limited to developing a detailed exploration plan and managing the exploration start up process and logistics) and permissions (including but not limited to identifying outstanding requirements for the commencement of exploration in terms of the project approved environmental management programme and otherwise preparing and submitting documentation for all permissions/licences as required).

Should MUM require the scope of work to be amended for any reason, Minxcon will prepare a 'change of scope' proposal and the mandate currently in place will need to be amended and accepted in writing by MUM and Minxcon.

The deliverables by Minxcon include:

- detailed exploration plan and budget and execution plan;
- engagement of exploration contractors; and
- submission of all requirements for legal permissions to conduct activities.

The total estimated project costs up until March or when drilling starts is R615,929 (including VAT). This cost excludes travel, flights, accommodation, publications and print media.

MUM paid Minxcon R310,500 in December 2021 as a first instalment under this contract.

MUM undertakes, amongst other things, to disclose to Minxcon all material information pertaining to the Project and that, to the best of MUM's knowledge, such information provided is completed, accurate and true.

The mandate confirms that Minxcon's consultants who are responsible for the completion of the scope of work are registered natural scientists in terms of the Natural Scientific Professions Act, 1993 and the Engineering Profession Act, 2000. Furthermore, that the project team members are in good standing with their respective professional bodies.

Minxcon will ensure that any information which it obtained during its investigation (and not in the public domain) will be treated as confidential and it was agreed that no party will be able to disclose any information concerning the report to any other party unless agreed to in writing.

The mandate is governed by the laws of the Republic of South Africa, and should a dispute arise between the parties to this agreement, the parties shall, with every effort, resolve the dispute among themselves without the intervention of a third party. Should the dispute not be resolved in this manner, the dispute shall be referred to arbitration

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in terms of the provisions of the Arbitration Act, 1965, before the parties may approach a division of the High Court of South Africa with jurisdiction to hear the dispute.

The mandate limits the liability of Minxcon, whereby in the event of any successful legal claim against Minxcon, its liability will not exceed the total value of the mandate (inclusive of legal costs).

For the duration of the mandate extended to at least 12 months after the termination thereof, MUM has agreed not to, directly or indirectly, solicit for the purpose of employment, offer to hire, entice away, or enter into any contract with any employee of Minxcon without the prior written consent of Minxcon, or otherwise solicit induce or otherwise encourage any person to discontinue, cancel or refrain from entering into any contractual or other relationship with Minxcon.

(h) **Term Sheet: Framework and Cooperation Agreement**

MUM intends to enter into a non-binding term sheet with Bengwenyama (**Term Sheet**), the purpose of which is to record the essential principles that will be set out in the Framework and Cooperation Agreement, that relate to, amongst other things:

- how MUM and Bengwenyama will work together and cooperate to ensure the success of the proposed mining project;
- the preparation, negotiation and conclusion of a Surface Rights Usage Agreement relating to the Farms;
- the recruitment and employment processes to be followed during MUM's proposed prospecting activities; and
- the process to be followed for compiling the social and labour plan.

(i) **Offer Management Agreement (Lead Manager)**

The Company entered into a corporate advisor and lead manager engagement (**Offer Management and Advisory Agreement**) with Bridge Street Capital Partners Pty Ltd (**Lead Manager**), pursuant to which, the Lead Manager has been engaged as corporate advisor and sole lead manager to assist the Company with an initial public offering and listing on the ASX with an associated capital raising in the range of A$17 million to A$19 million (**IPO Capital Raising**).

The Offer Management and Advisory Agreement is not an underwriting commitment, and the Offer is not underwritten.

(A) Fees

The Offer Management and Advisory Agreement provides, in relation to the IPO Capital Raising, that

- upon completion of the IPO Capital Raising, the Company will pay the Lead Manager a management fee of 2.0% of the total proceeds raised in the IPO Capital Raising. This fee is payable in either cash or shares at the same price of the IPO Capital Raising and at the option of the Lead Manager. The Lead Manager has determined to receive its fee in cash;
- the Company will pay to the Lead Manager a success/placement fee calculated as 4.0% of the total proceeds raised in the IPO Capital Raising, payable in cash, and the Company acknowledges that this fee may be used to pay other broker groups and intermediaries to incentivise them to participate in the Offer. This fee is to be reduced to 1.0% on any allocation of IPO Capital Raising shares to investors under the Chairman's List Offer, up to a maximum aggregate allocation of A$750,000 under the Chairman's List Offer;

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- the Company is responsible for all reasonable out of pocket expenses incurred by the Lead Manager and paid in advance in the course of completing its services, which are related to the IPO Capital Raising; and

- upon completion of the IPO Capital Raising, the Company will cause to be issued to the Lead Manager or its nominees, call options (**Alignment Options**) equal to 3,478,000 Alignment Options if the IPO Capital Raising is A$17 million; 3,638,000 Alignment Options if the IPO Capital Raising is A$19 million; or a pro rata amount of Alignment Options between the two amounts if the IPO Capital Raising is between A$17 million and A$19 million. The Company acknowledges that the Alignment Options may be allocated, in whole or part, by the Lead Manager to other broker groups and intermediaries to incentivise them to participate in the Offer and provide long term support to the Company, at the sole discretion of the Lead Manager. The Alignment Options will be unlisted, have an expiry date of four years from their issue date and an exercise price equal to a 75% premium to the Offer issue price. Shares issued upon exercise of the Alignment Options will rank equally with all other Shares on issue.

(B) **Corporate Advisory Services**

Upon successful listing on the ASX, the Lead Manager will be retained by the Company as Corporate Advisor for a minimum period of 1 year and will continue thereafter until cancelled by either party with 30 days' notice.

The fees payable to the Lead Manager during this period shall be A$10,000 (plus GST) per month for the first 6 months and thereafter shall be A$6,000 (plus GST) per month.

(C) **Termination**

The Offer Management and Advisory Agreement may be terminated by either party at any time prior to 31 December 2022 with or without cause on written notice. Except in the case of termination by the Company for unremedied breach by the Lead Manager, the Lead Manager will be entitled to its fees under the Offer Management and Advisory Agreement on termination by the Company. The Lead Manager will not be entitled to these fees on termination if the IPO Capital Raising is not able to raise more than A$6 million, and as a result, MUM elects to terminate the Acquisition.

If the Offer has not occurred by 31 December 2022, the Offer Management and Advisory Agreement will automatically terminate.

(D) **Future capital raisings**

Following successful completion of the Offer, the Lead Manager will have the right to be appointed as sole manager to the Company in respect of any future capital raisings for a period of 18 months from the date of the Company's shares commencing trading on the ASX on terms and fees to be agreed between the Company and the Lead Manager.

(E) **Liabilities and Indemnities**

The Company agrees that the liability of the Lead Manager for any and all losses or damage (including consequential losses and damages such as loss of profits) suffered by the Company as a result of acts or omissions of the Lead Manager is limited to such amount as is equal to the fees it is entitled to receive from the Company.

The Company indemnifies the Lead Manager in its performance under the Offer Management and Advisory Agreement against any and all liabilities to

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third parties, provided that any such liability was not caused by any unlawful or gross negligent act or omission by the Lead Manager.

10.9 Related party transactions

Other than as disclosed below or in Section 10.8, there are no other related party transactions.

The 2019 to 2021 annual financial statements of MUM set out that a number of (beneficial) shareholder (or former shareholder) loans are in place. These loans are unsecured, interest free and are not repayable within 12 months, and it has been confirmed by MUM that the loans were incurred to raise capital for the prior litigation discussed in Section 3.6 and that there are no formal agreements other than the receipt of funds. The amount of such loans total R2,140,994.

The loans in favour of Nicolas Daniel Resources Proprietary Limited, Ohio Trust and Spitzkoppe Asset Trust are subordinated in favour of other creditors of MUM until such time as the assets of MUM, fairly valued, exceed the liabilities.

In terms of the Share Exchange Agreement, the abovementioned loans owing by MUM to shareholders (or former shareholders) are to be settled within 30 days of the Acquisition.

As noted in sections 3.6 and 7.1(g), Minxcon's 15 year relationship with the Bengwenyama and with the Project is valuable and the Company believes that it is in its best interests to maintain this relationship. Accordingly, it is proposed that MUM will enter into a contract with Minxcon for the co-ordination and management of the exploration activities at the Project.

The Company has a Conflict of Interest Policy (refer section 8.6) and has a specific conflict of interest protocol for managing any ongoing commercial arrangements between the Company, MUM and Minxcon. Under the policy and protocol, the Company (and MUM) will:

- prior to entering into any contract, satisfy itself that the terms and conditions, including fees, of the proposed contract are fair and reasonable to the Company and MUM;
- consider seeking a third party contract review, alternative quotes, or seeking whatever other information it deems necessary to enable it to form an opinion; and
- monitor performance against any contract on a monthly basis.

10.10 Summary of Australian tax issues

(a) General

The following is a general summary of the Australian income tax, capital gains tax, tax file number withholding, Goods and Services Tax and New South Wales transfer duty consequences for certain shareholders of the Company as a result of participating in the Offer in accordance with the Prospectus.

This Australian tax summary is general in nature and is based on Australian tax laws and regulations, interpretations of such laws and regulations, and administrative practice as at the date of this Prospectus, and does not take into account or anticipate any changes in such laws, regulations and administrative practice that may subsequently occur.

This tax summary only applies to Shareholders who hold their Shares in the Company on capital account and does not address the Australian tax consequences for other Shareholders including those who:

- hold their shares in the Company on revenue account or as trading stock;
- acquired their shares in the Company under an employee incentive equity plan;
- have a functional currency for Australian tax purposes other than an Australian Dollars; and/or
- have elected for the Taxation of Financial Arrangement provisions (Division 230 of the Income Tax Assessment Act 1997 (**ITAA 1997**)) to apply in respect of their Shares in the Company.

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This tax summary does not constitute tax advice to any particular shareholder and should not be relied upon as the tax position of each shareholder may vary depending on their specific circumstances. Furthermore, the Australian tax laws are complex and there could be implications in addition to those generally described in this Prospectus. Shareholders should therefore consult with a professional tax advisor regarding their particular circumstances before choosing to participate in the Offer.

(b) **Dividends**

Broadly, the tax consequences for a shareholder receiving a dividend differ depending on the residency status of the shareholder, whether a dividend is franked or unfranked and if a dividend is conduit foreign income or not.

Australia operates a dividend imputation system under which dividends may be declared to be 'franked'. Franked dividends have franking credits attached to them which represent the Australian corporate tax that has already been paid on the profits distributed. An unfranked dividend is paid from profits which have not been subject to Australian corporate tax and therefore has no franking credits attached. Franking credits do not arise in respect of foreign tax paid by an Australian company.

Australia also operates a conduit foreign income system under which dividends (whether franked or not) may be declared to be 'conduit foreign income'. Such dividends are generally sourced from foreign dividends and capital gains which are generally not taxable in Australia.

Australian Tax Resident Shareholders - Individuals And Complying Superannuation Entities

Australian tax resident shareholders who are individuals or complying superannuation entities should include the dividend and any franking credit attached to the dividend in their assessable income.

Provided an Australian tax resident shareholder has held their shares at risk for the requisite holding period, they may be entitled to a tax offset equal to the franking credit attached to the dividend. Where the tax offset exceeds the income tax liability of the shareholder, the shareholder should be entitled to a tax refund equal to the amount of the excess for the income year.

Where a dividend is unfranked, the shareholder should generally be taxed at their prevailing tax rate on the dividend received. No tax offset can be claimed in respect of unfranked dividends.

The classification of a dividend as conduit foreign income should not alter the outcome described above.

Australian Tax Resident Shareholders - Corporate Entities

The tax comments above for Australian tax resident shareholders that are individuals and complying superannuation entities apply similarly to Australian tax resident shareholders that are corporate entities with the main exception being that corporate shareholders cannot claim a refund for excess franking credits but may instead convert them into tax losses.

Non-Australian Tax Resident Shareholders

Dividends paid to non-Australian resident shareholders are subject to a dividend withholding tax, which is a one-off, final tax. The rate at which dividend withholding tax must be withheld and remitted to the Australian Taxation Office is dependent on the jurisdiction to which the non-Australian shareholder is tax resident.

The Company will not be required to withhold and remit an amount of dividend withholding tax to the extent the dividend is declared to be franked and/or conduit foreign income. In other words, dividend withholding tax will apply to the extent the dividend is unfranked and not conduit foreign income.

(c) **Disposal of Shares**

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Capital Gains Tax (CGT) – Australian Tax Resident Shareholders

The disposal of a Share by an Australian tax resident shareholder should constitute a CGT event. A capital gain should arise to the extent the capital proceeds on sale (broadly, the cash proceeds from the sale) exceed the cost base of the share (broadly, the amount paid to acquire the share plus certain transaction costs).

A CGT discount may apply, provided the shares have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been met. Where this CGT discount applies, a capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50% (after offsetting current year or prior year capital losses). For a complying superannuation entity, a capital gain may be reduced by 33.33% (after offsetting current year or prior year capital losses).

A capital loss should be realised to the extent that the reduced cost base of a share exceeds the capital proceeds from its sale. Capital losses cannot be used to offset assessable income, but may be carried forward to offset capital gains derived by the shareholder in the same and future income years. Corporate shareholders, trusts and superannuation funds are only able to carry forward capital losses where they satisfy certain loss recoupment tests.

Capital Gains Tax – Non-Australian Tax Resident Shareholders

Non-Australian tax resident shareholders who (together with their associates) have at all times held less than 10 per cent of the interests in the Company, are generally not liable to pay Australian CGT on any capital gain made on the disposal of their shares.

However, non-Australian tax resident shareholders who (together with their associates) own a 10 per cent or more interest in the Company (either at the time of the disposal of their shares or throughout a 12 month period which began no earlier than 24 months before the disposal of their shares and ended no later than the time of disposal of their shares) would generally be subject to Australian CGT if at the time of disposal of their shares more than 50 per cent of the Company's direct or indirect assets, determined by reference to market value, consist of taxable Australian real property.

If CGT applies, foreign resident capital gains withholding may require a purchaser of shares in the Company to withhold 12.5 per cent of the purchase price of the shares. The non-Australian tax resident Shareholder must then lodge a tax return at the end of the financial year to declare their capital gain or loss and claim a credit for any foreign resident capital gains withholding.

Non-Australian tax resident shareholders are not entitled to a CGT discount. Net capital gains are calculated after offsetting capital losses, which may only be offset against capital gains.

(d) **Tax File Number (TFN)**

Australian tax resident shareholders who are individuals may, if they choose, notify the Company of their TFN. In the event that the Company is not so notified, pursuant to the TFN withholding rules, tax should be automatically deducted at the highest marginal rate, including where relevant, the Medicare levy, from any dividend paid to the shareholder. Where a shareholder invests in the Company in the course of carrying on an enterprise then they may quote their Australian Business Number instead.

An Australian tax resident shareholder who has been subjected to TFN withholding may be able to claim a tax offset in respect of the tax withheld in their income tax return.

Non-Australian tax resident shareholders are generally entitled to an exemption from the TFN withholding rules (refer above to comments on dividends paid to non-Australian tax resident shareholders).

(e) **Goods and Services Tax (GST)**

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Generally, shareholders should not be liable for GST from acquiring or disposing of any shares and may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition or disposal of shares.

(f) **Transfer Duty**

Generally, no transfer duty should be payable by shareholders on the acquisition of shares. Under current transfer duty legislation, no transfer duty should ordinarily be payable by shareholders on any subsequent transfer of shares whilst the Company remains listed.

(g) **Obtain your own taxation advice**

As mentioned earlier, this general tax summary does not constitute tax advice to any particular shareholder and should not be relied upon as the tax position of each shareholder may vary depending on their specific circumstances. Furthermore, the Australian tax laws are complex and there could be implications in addition to those generally described in this Prospectus. Shareholders should therefore consult with a professional tax advisor regarding their particular circumstances before choosing to participate in the Offer.

The Company is not a registered tax agent under the Tax Agent Services Act 2009 (Cth) and cannot provide tax advice to specific participants. To the extent permitted by law, the Company does not accept any responsibility for the tax implications applicable to participants.

10.11 JSE Listing

In accordance with the JSE Listings Requirements, the requirements of the primary exchange take precedence in relation to issuers seeking a secondary listing on the JSE. Accordingly, the JSE has accepted the ASX Listing Rules and, where deemed relevant, has requested additional disclosures to be incorporated into this Prospectus and Pre-listing Statement, which document has been approved by the JSE.

The Financial Surveillance Department (**FinSurv**) of SARB's approval of the secondary inward listing of the Company's Shares on the Main Board of the JSE has been submitted to the JSE prior to the date of this Prospectus and Pre-listing Statement.

Subject to the primary exchange, being the ASX, formally approving the Listing, it is expected that the JSE admission will become effective and that dealings on the JSE will commence at 9.00am (SAST) on 25 May 2022. Settlement of dealings from that date will be on a three-day rolling basis.

The Shares issued and traded on the JSE will be denominated in Rand. Details of the movement of Shares between the Company's Australian principal share register and the South African branch share register are disclosed in Section 10.13(f).

The Company will, with effect from the date from which its Shares are admitted to trading on the JSE, be required to comply with the JSE Listings Requirements applicable to issuers with a secondary listing.

10.12 STRATE and trading of Shares on the JSE

Application has been made by the Company to the JSE for admission for trading of certain of the Company's Shares in the Platinum and Precious Metals sector of the Main Board of the JSE as a secondary (or inward) listing under the abbreviated name South Pd and share code SDL, with effect from the commencement of trading on the JSE on 25 May 2022.

Shares may only be traded on the JSE in uncertificated form (as dematerialised shares) and will be trading for electronic settlement via STRATE immediately following the Listing. STRATE is a licensed central securities depository providing settlement services and enabling the digital transfer of uncertificated (dematerialised) securities. If investors have any doubt as to the mechanics of STRATE they should consult their broker, CSDP or other appropriate adviser, and they are referred to the STRATE website at http://www.strate.co.za.

The principal features of STRATE are:

- electronic records of ownership replace certificates and physical delivery of certificates;

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- trades executed on the JSE must be settled within three business days (T+3);
- all investors owning dematerialised securities or wishing to trade their securities on the JSE are required to appoint either a broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- unless investors owning dematerialised securities specifically request their CSDP to register them as an "own-name" dematerialised shareholder (which entails a fee), and then they are recognised as the Registered Shareholder, their respective CSDP's or broker's or FSCA Approved nominee company holding securities on their behalf will be the Registered Shareholder (member) of the relevant company and not the investor – the investor remains the Beneficial Shareholder. Subject to the agreement between the investor and the CSDP or broker (or the CSDP's or broker's or FSCA Approved nominee company), generally in terms of the rules of STRATE, the investor is entitled to instruct the CSDP or broker or FSP (or the CSDP's or broker's or FSCA Approved nominee company), as to how it wishes to exercise the rights attaching to the securities and/or to attend and vote at shareholder meetings

10.13 **South African Exchange Controls**

The SA Exchange Control Regulations impose exchange controls on South African residents and are administered by the Financial Surveillance Department of the South African Reserve Bank (**FinSurv**). The manner and policy in terms of which FinSurv applies the SA Exchange Control Regulations is generally established by the Minister of Finance, Director General National Treasury and SARB and set out in regulations, circulars and manuals.

The SA Exchange Control Regulations provide for restrictions on exporting capital and assets from the Common Monetary Area. Transactions between, on the one hand, residents (individuals and corporations) of the Common Monetary Area, and, on the other hand, persons whose normal place of residence, domicile or registration is outside of the Common Monetary Area ("**non-residents**") are subject to the SA Exchange Control Regulations.

FinSurv has approved the secondary listing of the Company on the JSE and classified those Shares listed on the JSE as "domestic" for exchange control purposes. In terms of the FinSurv approval all dividends and any other distributions declared and paid by the Company to South African shareholders must be remitted to South Africa in terms of the requirements of regulation 6 of the SA Exchange Control Regulations and any requests to issue Shares and/or securities to South African shareholders in lieu of a cash dividend will be subject to the prior approval of FinSurv. In addition, any: (i) utilisation of Shares and/or securities as acquisition currency in the purchase of Common Monetary Area assets; and (ii) participation by holders of Shares registered as such on the South African register in any future capital raising undertaken by the Companies by means of a new issue, rights offer or similar transaction will be subject to the prior approval of FinSurv.

In line with the approval obtained from FinSurv, the Shares listed on the JSE will only be allotted and issued to the MUM Vendors on the Listing of the Shares on the JSE.

The subscription for Shares listed on the JSE and the trade in Shares listed on the JSE may only be done in terms of the SA Exchange Control Regulations.

Below is a summary of the SA Exchange Control Regulations relating to the subscription for Shares listed on the JSE and the trade in Shares listed on the JSE in South Africa. This summary of the SA Exchange Control Regulations is intended as a guide only and is not comprehensive. Should you be unclear in any respect as to whether, and if so, how the SA Exchange Control Regulations may affect you, then you should consult an appropriate professional advisor.

(a) South African private individuals

South African resident investors may trade in the Shares listed on the JSE without having recourse to their foreign allowances. A South African private individual need not take any additional administrative actions and can instruct his or her broker to accept, buy and sell Shares listed on the JSE on their behalf as they would with any other listed security on the JSE. Such Shares listed on the JSE are on the South African branch share register and are denominated and traded in Rand.

(b) South African institutional investors

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All inward listed shares on the JSE traded and settled in Rand are classified as "domestic" for the purposes of the SA Exchange Control Regulations. Accordingly, South African retirement funds, insurers, collective investment scheme management companies and asset managers who have registered with FinSurv as institutional investors for exchange control purposes and Authorised Dealers may now invest in the Shares without depleting their permissible foreign portfolio investment allowances or foreign exposure limits.

(c) Member brokers of the JSE

The SA Exchange Control Regulations provide for a special dispensation to local brokers to facilitate the trading in inward listed shares. South African brokers are allowed, as a book-building exercise, to purchase Shares offshore and to remove the Shares to the South African branch share register. This special dispensation is confined to inward listed shares and brokers may warehouse such shares for a maximum period of 30 days only.

(d) South African corporate entities, banks, trusts and partnerships

South African corporate entities, banks, trusts and partnerships may subscribe for Shares listed on the JSE or acquire Shares listed on the JSE without restriction.

(e) Non-residents of the Common Monetary Area

Non-residents of the Common Monetary Area may subscribe for Shares listed on the JSE or acquire Shares listed on the JSE, provided that payment is received in foreign currency and/or Rand from a non-resident account and/or Rand from a vostro account held in the books of the Authorised Dealer or in terms of the provisions of section I.1 of the Authorised Dealer Manual. All payments in respect of subscriptions for or purchases of Shares listed on the JSE by non-residents must be made through an Authorised Dealer.

Share certificates issued in respect of Shares listed on the JSE purchased by non-residents will be endorsed "*non-resident*" in accordance with the SA Exchange Control Regulations. Holders of dematerialised Shares will have their statements endorsed "*non-resident*" and their accounts at their CSDP or broker annotated accordingly. Provided that the relevant share certificate is endorsed "*non-resident*" or the relevant account of the Shareholder's CSDP or broker is annotated accordingly, there is no restriction under the SA Exchange Control Regulations on the payment to a non-resident Shareholder of cash dividends from the distributable profits of the Group in proportion to the Shareholder's percentage holding of Shares. Payment to non-resident Shareholders of other dividends and distributions (including special dividends, dividends in specie and capitalisation issues) require the consent of FinSurv.

Cash dividends and any proceeds from the sale of Shares listed on the JSE by non-resident Shareholders may be freely transferred out of South Africa, subject to being converted into a currency other than Rand or paid for the credit of a non-resident Rand account.

Non-residents may sell Shares listed on the JSE on the market and repatriate the proceeds without restriction.

Former residents of the Common Monetary Area who have emigrated may use emigrant blocked funds to subscribe for Shares listed on the JSE or acquire the Shares listed on the JSE on the market. The Shares listed on the JSE will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios. The sale proceeds derived from the sale of the Shares listed on the JSE will be transferred to the Authorised Dealer controlling the emigrants' blocked assets for credit to the emigrants' blocked account

(f) Movement of Shares between registers

The Company's Shares may be removed between registers, subject to investors obtaining the SA Exchange Control Regulations approvals where necessary.

South African resident investors may only acquire Shares, via the JSE, that are already on the South African branch share register maintained by Computershare Investor Services Proprietary Limited, the Company's transfer secretaries. The Shares acquired by South African resident investors on the JSE can be removed to the Australian principal share register, provided the resident utilises their foreign investment allowance.

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Member brokers of the JSE may acquire Shares on foreign exchanges and remove Shares to the South African branch share register as described in paragraph (c) above. Non-residents are not subject to SA Exchange Control Regulations and may freely remove Shares between the Australian principal and South African branch share registers.

10.14 Interests of named persons

Set out below are the benefits that have been agreed to be given to Directors, persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offer (together, **Prescribed Persons**).

Except as set out below or elsewhere in this Prospectus, no Prescribed Person holds, or during the last two years has held, any interests in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with the Company's formation or the promotion, or the Offer; or

(c) the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefit of any kind, (whether in cash, Shares or otherwise) have been paid or agreed to be paid to:

(d) a Director or proposed director to induce them to become, or to qualify as, a Director of the Company; or

(e) a Prescribed Person for services provided by them in connection with the formation or promotion of the Company or the Offer.

BDO Corporate Finance (WA) Pty Ltd has prepared the Investigating Accountant's Report in Section 6 of this Prospectus and undertaken financial due diligence services in relation to the Offer. For this work, BDO Corporate Finance (WA) Pty Ltd is to receive fees estimated at $26,633.

BDO South Africa has prepared the Independent Reporting Accountant’s assurance report on the pro forma financial information of the Company in Section 5.12 of this Prospectus. For this work, BDO South Africa is to receive fees estimated at $10,000.

Thomson Geer has acted as the Australian legal advisers to the Company for the purposes of the Offer. For this work, Thomson Geer is to receive fees estimated at $172,997.

Falcon & Hume Inc has acted as the South African legal advisers to the Company for the purposes of the Offer and has prepared the Solicitor's Report on Tenements in Appendix B of this Prospectus. For this work, Falcon & Hume Inc is to receive fees estimated at $85,797.

Merchantec Proprietary Limited has acted as the JSE Sponsor to the Company for the purposes of this Prospectus. For this work, Merchantec Proprietary Limited is to receive fees estimated at $35,063.

Bridge Street Capital Partners Pty Ltd has acted as the lead manager for the Offer. For this work, it is to receive fees as set out in Section 10.8(i).

CSA Global Pty Ltd has acted as the Independent Geologist in relation to the Offer and has prepared the Independent Technical Assurance Report in Appendix A of this Prospectus. For this work, CSA Global Pty Ltd is to receive fees estimated at $45,778 of which $40,778 was paid prior to 31 December 2021.

Computershare Investor Services Pty Limited and Computershare Investor Services Proprietary Limited are the Company's share registry in Australia and South Africa, and will be paid for these services on standard industry terms and conditions.

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10.15 Consents

Each of the parties named in the table below in this Section 10.15 has consented to being named in this Prospectus in the form and context in which it is named and has not withdrawn such consent prior to the lodgement of this Prospectus with the ASX:

Capacity in relation to Southern Palladium	Consenting party
Australian legal adviser	Thomson Geer
South African legal adviser	Falcon & Hume Inc
South African JSE Sponsor	Merchantec Proprietary Limited
Auditor	BDO Audit (WA) Pty Ltd
Investigating Accountant	BDO Corporate Finance (WA) Pty Ltd
JSE Accredited Reporting Accountant	BDO South Africa Incorporated
Share registry	Australia: Computershare Investor Services Pty Limited South Africa: Computershare Investor Services Proprietary Limited
Lead manager	Bridge Street Capital Partners Pty Ltd
Independent Geologist	CSA Global Pty Ltd
Independent PGM industry review	Sieberana Research Pty Ltd

To the maximum extent permitted by law, each of the parties named in this Section 10.15:

(a) states that it has not authorised or caused the issue of this Prospectus;

(b) is not taken to have made, or purported to have made, any representation or warranty in relation to Southern Palladium either express or implied or any statement in this Prospectus or on which a statement made in this Prospectus is based other than as specified in this Section; and

(c) expressly disclaims and takes no responsibility for any part of this Prospectus other than as referred to in this Prospectus as having been made by such party.

10.16 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company.

Based on the Offer being fully subscribed, the estimated costs of the Offer, which have been paid or are payable by the Company are as follows:

Expenses of the Offer				Amount excluding GST ($)
		Paid prior to 31 Dec 2021	Incurred after 31 Dec 2021	Total
Legal fees	*Australia:* Thomson Geer *South Africa:* Falcon & Hume (South Africa)	$120,235 $25,685	$172,997 $85,797	$293,231 $111,482
Australian Investigating Accountant's Report	BDO Corporate Finance (WA) Pty Ltd	$11,368	$26,633	$38,001

Expenses of the Offer			Amount excluding GST ($)	
		Paid prior to 31 Dec 2021	Incurred after 31 Dec 2021	Total
and financial due diligence				
South African financial reporting fees (estimate)	BDO South Africa	$nil	$10,000	$10,000
Lead manager fees at maximum subscription	Bridge Street Capital Partners Pty Ltd	$nil	$1,140,000	$1,140,000
Independent Technical Assurance Report	CSA Global Pty Ltd	$40,778	$5,000	$45,778
Industry report	Sieberana Research Pty Ltd	$6,291	$nil	$6,291
Listing fees	ASX	$11,000	$129,420	$140,420
Lodgement fees	ASIC	$nil	$3,206	$3,206
JSE document inspection and listing fees	JSE	$nil	$37,152	$37,152
South African JSE Sponsor fees	Merchantec Proprietary Limited	$nil	$35,063	$35,063
Registry fees	*Australia:* Computershare Investor Services Pty Limited	$nil	$2,950	$
	South Africa: Computershare Investor Services Proprietary Limited	$nil	$3,296	$
Other miscellaneous costs		$660	$85,005	$85,665
TOTAL		**$216,017**	**$1,736,518**	**$1,952,535**

10.17 Supplementary information

A supplementary prospectus will be issued if the Company becomes aware of any of the following between the issue of this Prospectus and the date the Shares are quoted:

(a) a material statement in this Prospectus is misleading or deceptive;

(b) there is a material omission from this Prospectus;

(c) there has been a significant change affecting a matter included in this Prospectus; or

(d) a significant new circumstance has arisen and it would have been required to be included in this Prospectus.

10.18 Additional disclosures for the purpose of the JSE Listings Requirements

10.18.1 Details of Directors' business addresses, nationalities and directorships

The business addresses of the Directors are, in terms of:

Terence Goodlace: 20A Ormonde Street, Bryanston, Johannesburg, South Africa;

Geoff Hiller, Mike Stirzaker and Rob Thomson: Level 1, 283 George Street, Sydney, NSW 2000, Australia; and

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Johan Odendaal and Daan van Heerden: Suite 5, Coldstream Office Park, 2 Coldstream Street, Little Falls, Roodepoort, South Africa.

Geoff Hiller is an Australian citizen, Rob Thomson is a New Zealand citizen, Mike Stirzaker is a citizen of the United Kingdom, Terence Goodlace is a citizen of the United Kingdom and South Africa, Johan Odendaal and Daan van Heerden are South African citizens.

For the purposes of the JSE Listings Requirements, the following information is provided regarding each Director's current directorships or partnerships interest and all former (non-current) directorships or partnerships held in the last five years.

Director	Nature of business	Active/Not active
Terence Goodlace - *Independent Non-executive Chairman*		
Southern Palladium Limited	PGM exploration	Active
AfriTin Mining Limited	Tin mining	Active
Gold Fields Limited	Gold mining	Active
Kumba Iron Ore Limited	Iron ore mining	Active
Johan Odendaal - *Managing Director*		
Southern Palladium Limited	PGM exploration	Active
Miracle Upon Miracle Investments Pty Limited	PGM exploration	Active
Minxcon Pty Limited	Consulting	Active
Nicolas Daniel Resources Pty Limited	Investment company	Active
Mulvanoden Pty Limited	Property investment company	Active
Geoff Hiller - *Independent Non-executive Director*		
Southern Palladium Limited	PGM exploration	Active
Pacific Nickel Mines Limited	Nickel mine development	Active
Austpac Resources NL	Zinc/Iron process technology and exploration	Active
Mike Stirzaker - *Independent Non-executive Director*		
Southern Palladium Limited	PGM exploration	Active
Akora Resources Limited	Iron ore exploration	Active
Base Resources Limited	Mineral sands mining	Active
Firestone Diamonds PLC	Diamond mining	Active
Science for Wildlife Limited	Environmental, not for profit	Active
Pacific Road Capital Management Holdings Pty Limited	Funds management	Inactive
Prodigy Gold NL	Gold and base metal exploration	Inactive
Rob Thomson - *Independent Non-executive Director*		
Southern Palladium Limited	PGM exploration	Active
Aeramentum Resources Pty Ltd	Copper/cobalt/gold exploration	Active
Bayrock Resources Limited	Nickel exploration	Active
Pacific Nickel Mines Limited	Nickel mine development	Active
Theta Gold Mines Limited	Gold pre-development	Inactive
Daan van Heerden - *Non-independent Non-executive Director*		
Southern Palladium Limited	PGM exploration	Active
Miracle Upon Miracle Investments Pty Limited	PGM exploration	Active
Minxcon Pty Limited	Consulting	Active
Nicolas Daniel Resources Pty Limited	Investment company	Active
Mulvanoden Pty Limited	Property investment company	Active

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Director	Nature of business	Active/Not active
Cottage Education Foundation Pty Limited	Education	Active
The Mountain Cambridge School Pty Limited	Education	Active
Minesoft Pty Limited	Mining Software development	Inactive
Mogro Resources Pty Limited	PGM exploration	Inactive

10.18.2 JSE Directors' declaration

None of the Directors or members of senior management of the Company or MUM referred to in this Prospectus:

- Has been declared bankrupt, insolvent or sequestrated or at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors in any jurisdiction;

- Has ever been involved in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the South African Companies Act, receiverships, compulsory liquidations, administrations, company voluntary arrangements or any composition or arrangement with creditors generally or any class of creditors of any company where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, such events;

- Has entered into creditors' voluntary liquidations of any company where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding such events;

- Has entered into or has been involved in any compulsory liquidation, administration or voluntary arrangements of any partnership where such person is or was a partner at the time of, or within the 12 months preceding, such events;

- Has had receivership of any of the assets of such person or of a partnership of which he or she is or was a partner at the time of, or within 12 months preceding, such events;

- Has been the subject of public criticism by any statutory or regulatory authorities, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

- Has ever been convicted of or committed any offence involving dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;

- Has ever been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities committed by such person;

- Has ever been removed from an office of trust on the grounds of misconduct and involving dishonesty;

- Has ever been barred from entry into any profession or occupation;

- Has ever been convicted in any jurisdiction of any criminal offence or an offence under legislation relating to the South African Companies Act, and no company of which he or she was a director, alternate director or officer at the time of the offence has been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the South African Companies Act; or

- Is or has been subject to any court order declaring him or her delinquent or placing him or her under probation under section 162 of the South African Companies Act and/or section 47 of the South African Close Corporations Act, 69 of 1984 (as amended) or disqualifying him or her to act as a director under section 219 of the South African Companies Act, 61 of 1973 (as

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amended) (which has, for the most been repealed) or section 69 of the South African Companies Act.

The Directors confirm that the Company has complied with the Corporations Act with respect to its incorporation, and that the Company operates in accordance with the terms of the Constitution.

10.18.3 Share capital

The Company was incorporated with an issued share capital of 750,000 Shares as a public company on 4 December 2020. As at the date of this Prospectus, the Company has 6,250,000 Shares on issue.

In accordance with the JSE Listings Requirements, the following information is provided regarding the Company's share capital at the Prospectus Date:

- The Company has no classes of shares on issue other than fully paid ordinary shares;
- The number of fully paid ordinary shares on issue is 6,250,000;
- The Company does not have any treasury shares on issue (as there is no concept of treasury shares under the Corporations Act); and
- The total value of the stated capital account for the Company's fully paid ordinary shares is detailed in Section 10.3 of this Prospectus.

In accordance with the JSE Listings Requirements, the information regarding issues of securities of the Company that have occurred from the date of incorporation to the date of this Prospectus is set out in Section 3.3 of this Prospectus.

10.18.4 Options or preferential rights to acquire Shares

Save as set out below, the Company confirms that no options or preferential rights to acquire Shares have been granted (or agreed to be granted):

- Directors Series A Options, Series B Options and Performance Rights as set out in Sections 10.3(a), 10.3(b) and 10.3(c), respectively, of this Prospectus;
- Issue of options to the Lead Manager as set out in Section 12.9(i) of this Prospectus.

10.18.5 Information on Major Subsidiaries

As per the JSE Listings Requirements, "Major Subsidiaries" are the subsidiaries of the Company which represent 25 per cent or more of the total assets or revenue of the consolidated Group based on the latest published year-end or interim financial results.

Until completion of the Acquisition, which is expected to occur immediately prior to the Listing, MUM will not be considered to be a "Major Subsidiary" as defined in the JSE Listings Requirements. If the completion does not occur, then the Listing will not take place.

Pursuant to section 7.H of the JSE Listings Requirements:

- the Vendors have not guaranteed the book debts or other assets of MUM and "normal" warranties for transactions of this nature have been given as set out in the Share Exchange Agreement;
- there are no Vendors' agreements (or such restraint of trade arrangements) precluding the Vendors from carrying on business in competition with Southern Palladium; or imposing any other restrictions on the Vendors;
- the liability for accrued taxation will be settled by MUM in the ordinary course and there is no apportionment thereof in the Share Exchange Agreement. Furthermore, the warranties contained in the Share Exchange Agreement make specific reference to MUM making adequate provision for all taxation for which it is liable;

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- no consideration (either in cash or securities) has been paid and no benefit has been given by MUM within the three preceding years or proposed to be paid or given by MUM, to any promoter (not being a director); and

- the table below sets out the nature and extent in which directors of MUM have direct/indirect beneficial interest(s) in the Share Exchange Agreement transaction:

	Director(s) of MUM with direct/indirect beneficial interest in the transaction	**Nature and extent of such direct/indirect beneficial interest**
1.	Daniel van Heerden	Daniel van Heerden is, amongst other family members, a beneficiary in the Runaway Trust which has a 37.6% direct interest on Nicolas Daniel Resources (Pty) Ltd, which has a 19.47% beneficial interest in MUM
2.	Pieter Heydenrych de Villiers	Pieter Heydenrych de Villiers is, amongst other family members, a beneficiary in the Ebenhauzer Trust, a beneficiary of the Spitzkoppe Trust which currently holds a 6.13% beneficial interest in MUM

David Matthew Stein is a director of MUM and also a director of Legacy, whereby Legacy currently has a 7.86% shareholder in MUM. In addition to these three directors, Lindiwe Grace Thomas and Makhosini Joel Nkosi are also directors, they do not have a beneficial interest in the Share Exchange Agreement transaction.

Save as set out above, there will have been no material change in the financial or trading position of the Company between the end of its last financial year ended 30 June 2021 and the Last Practicable Day, and MUM between the end of its last financial year ended 31 December 2021 and the Last Practicable Day. There have been no changes in the business or trading objectives of the Company since incorporation.

10.18.6 Principal immovable property

For purposes of the JSE Listings Requirements, the Directors confirm that neither the Company nor MUM holds, occupies or leases any immovable properties and accordingly, none of the Directors has any material interest in any immovable properties held, occupied or leased by the Company or MUM.

10.18.7 Property acquired or to be acquired

Save for the Acquisition detailed in Section 3.3 of this Prospectus, there have been no material acquisitions by the Company since incorporation. As at the date of this Prospectus there are no proposed material acquisitions by the Company or MUM where the acquisition will be material to the Company of any property (as envisaged in the JSE Listings Requirements), and there are no such options to acquire any such property.

10.18.8 Disposal of property

For the purposes of the JSE Listings Requirements there have been no disposals of material property by the Company, where the disposal was material to the Company since incorporation as envisaged in the JSE Listings Requirements. As at the date of this Prospectus, there are no proposed disposals by the Company, or MUM where the disposal will be material to the Company of any material property (as envisaged in the JSE Listings Requirements) and there are no options to dispose of any such property.

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10.18.9 Borrowing powers and material loans

The borrowing powers of the Board have not been exceeded since incorporation and there have not been any exchange control or other restrictions on the borrowing powers of the Company.

For the purpose of the JSE Listings Requirements there are no restrictions on the Company's borrowing powers and the business of the Company shall be managed by the Board, which may exercise all the powers of the Company under the Constitution, subject to applicable law. There are no other material limitations on the borrowing powers of the Group.

The loans contemplated by the Company are set out in Sections 10.8(d), 10.8(e) and 10.8(f) of this Prospectus. As at the Last Practicable Date, the Company does not have any material loans which are repayable within the next 12 months.

The Company has not made any material loans nor are there any such material loans previously made which remain outstanding as at the Last Practicable Date, save as set out in 10.8(d), 10.8(e) and 10.8(f) above.

The Company has not made any loans to, or furnished any security for the benefit of, any Director or manager of the Company (or of any associate of any such Director or manager).

The Company does not have contingent liabilities.

10.18.10 Working capital

In accordance with the JSE Listing Requirements, the Directors confirm that they are of the opinion that, the working capital available to the Company will be sufficient for the Group's present requirements, that is, for at least 12 months following the date of this Prospectus.

10.18.11 JSE waivers and confirmations

The JSE has provided certain confirmations in respect of the Listing relating to the presentation of financial information.

10.18.12 Documents available for inspection

Copies of the following documents will also be available for inspection during normal office hours on any weekday (Saturdays, Sundays and South African public holidays excepted) from the date of this Prospectus at the offices of the JSE Sponsor, being Merchantec Proprietary Limited, at Merchantec Capital, 13th Floor, Illovo Point, 68 Melville Road, Sandton, 2196, South Africa, and at the registered office of the Company for a period of not less than 12 months from the date of this Prospectus:

(a) each Director's consent for the lodgement of this Prospectus;

(b) the Constitution referred to in Section 10.2 of this Prospectus;

(c) this Prospectus;

(d) the audited historical financial information of the Company since incorporation;

(e) the Independent Limited Assurance Report on the historical financial information and pro forma prepared by the Investigating Accountant, BDO Corporate Finance (WA) Pty Ltd set out in Section 6 of this Prospectus;

(f) the Independent Reporting Accountant's Assurance Report on the pro forma financial information of the Company prepared by a JSE-accredited auditor, BDO South Africa Incorporated set out in Section 6 of this Prospectus; and

(g) the consents referred to in Section 10.15 of this Prospectus.

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11 Authorisation by Directors

The Directors state that they have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect of any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in the Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

This Prospectus is authorised by each of the Directors of the Company, pursuant to a resolution of the Board.

In accordance with the JSE Listings Requirements, the Directors, whose names are given in Section 8.1 of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information given, and certify that to the best of their knowledge and belief the information contained in this Prospectus is true and that nothing has been omitted which is likely to affect the import of the information contained herein or make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Prospectus contains all information required by law and the JSE Listings Requirements.

Signed for and on behalf of:
Southern Palladium Limited

By Terence Goodlace
Chairman

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12 Glossary

In this Prospectus, unless the context or subject matter otherwise requires:

A$ or $ or AUD	The Australian dollar, being the lawful currency of Australia.
AAI	Australian Accounting Interpretations.
AAS or Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the AASB.
AASB	Australian Accounting Standards Board.
ABN	Australian Business Number.
ACN	Australian Company Number.
Acquisition	The acquisition by the Company (or its nominee) of a 70% direct interest in MUM upon completion of the acquisition of MUM shares from, amongst others, Nurinox, Atlantic and Legacy under the terms of the Share Exchange Agreement.
Applicant	A person who returns an Application.
Application	An application for New Shares under the Offer.
Application Form	The entitlement and acceptance form attached to this Prospectus.
Application Payment	The payment of the amount under the Offer determined by multiplying the Offer Price by the number of New Shares applied for and submitted by an Applicant for the purposes of making an Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the stock exchange which it operates, as the context requires.
ASX Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).
ASX Listing Rules	The official Listing Rules of ASX.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	The settlement operating rules of ASX Settlement.
Atlantic	Atlantic Nominees Proprietary Limited, also as nominee for a number of beneficial shareholders.
Atlantic Parties	Atlantic, Nicolas Daniel Resources Proprietary Limited, Ohio Trust, Lawtons Inc., Naledi Developments Proprietary Limited and Paul Vuzumuzi Mhlungu.
Authorised Dealers	A person that has been appointed to act as an authorised dealer in terms of the Exchange Control Regulations.
B-BBEE	Broad Based Black Economic Empowerment governed by the BEE Act.
BEE	Black Economic Empowerment.
BEE Act	Broad-Based Black Economic Empowerment Act, 2003, as amended.
Bushveld Complex	A geological feature occurring in South Africa as the worlds' largest layered igneous intrusion and host to the majority of global PGM reserves.
Business Day	A day on which the ASX and/or the JSE is open for trading securities, and banks are open for general banking business in Sydney and South Africa.

Bengwenyama	The Bengwenyama-ya-Maswazi community, being the community resident on and around the farms Eerstegeluk and Nooitverwacht in Limpopo Province, South Africa.
Board	The board of Directors of the Company.
CGT	Capital gains tax.
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd in accordance with the Corporations Act.
Clawback	Clawback Shares may be clawed back by the Company for a nominal sum and then cancelled in the event that certain project milestones are not achieved within four years of the date of the Listing.
Clawback Shares	50% of the Consideration Shares.
Closing Date	5.00pm (Sydney time) on 6 May 2022 (unless varied).
Common Monetary Area	Collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini.
Company	Southern Palladium Limited ACN 646 391 899.
Completion	Completion of the issue of New Shares under the Offer.
Consideration Shares	The total consideration for the Acquisition, which will comprise 45,500,000 New Shares in aggregate.
Constitution	The constitution of the Company.
Corporations Act	*Corporations Act 2001* (Cth) as amended from time to time.
CSDP	"central securities depository participant", a participant as defined in Section 1 of the South African Financial Markets Act, appointed by a Shareholder for the purposes of, and in regard to, dematerialisation of Shares evidenced by physical documents of title into the Strate System.
Directors	The directors of the Company.
DME	Department of Minerals and Energy in South Africa, later renamed as DMR and then DMRE.
DMR	Department of Mineral Resources in South Africa, formerly DME.
DMRE	Department of Mineral Resources and Energy in South Africa, formerly the DMR.
Exchange Control Regulations	The Exchange Control Regulations of South Africa issued under the South African Currency and Exchanges Act, 9 of 1933 (as amended).
Existing Shareholders	The shareholders holding Existing Shares of the Company immediately prior to Completion.
Existing Shares	Ordinary shares in the Company held by all Existing Shareholders immediately prior to Completion.
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade or quality, relates to mineralisation for which there has been insufficient exploration to estimate Mineral Resources (as defined in the JORC Code 2012).
Exposure Period	The period during which the Company cannot accept Applications as described in section 727(3) of the Corporations Act.
FinSurv	The Financial Surveillance department of SARB.
GST	Has the meaning given to that term in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and includes goods and services tax.

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Identified PGE (4E) Reserves	Proven and/or probable PGE (4E) mineral reserves formally declared by an independent competent person as part of the Project that comply with the requirements of the JORC Code.
ILAR or Independent Limited Assurance Report	The Independent Limited Assurance Report and Financial Services Guide prepared by the Investigating Accountant and set out in Section 6.
Independent Geologist	CSA Global Pty Ltd ABN 67 077 165 532.
Indicated Mineral Resources	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation (as defined in the JORC Code 2012).
Inferred Mineral Resources	That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration (as defined in the JORC Code 2012).
Initial Reserve Milestone	At least 2,000,000 oz of Identified PGE (4E) Reserves have been identified, comprising at least 15 million tonnes and a grade of at least 3.0 grams per tonne.
Investigating Accountant or BDO	BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045.
IPO	Initial public offering.
ITAR or Independent Technical Assurance Report	The Independent Technical Assessment Report prepared by the Independent Geologist.
JORC	Joint Ore Reserves Committee.
JSE	As the context requires, either (a) JSE Limited (registration number 2005/022939/06), a limited liability public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the South African Financial Markets Act, or (b) the securities exchange operated by the aforementioned company.
JSE Listings Requirements	The Listings Requirements of the JSE, as amended or supplemented from time to time.
Last Practicable Date	Thursday, 14 April 2022, being the last practicable date prior to finalisation of this Prospectus.

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Lead Manager	Bridge Street Capital Partners Pty Ltd ACN 164 702 005 CAR AFSL 456663.
Legacy	Legacy Platinum Inc.
Leibowitz	David Leibowitz.
Listing	Admission of the Company to the Official List and Main Board of the JSE and quotation of the Shares.
Listing Rules	Together, the ASX Listing Rules and the JSE Listings Requirements, as may be applicable to the Company.
Management	The management team of the Company.
Managing Director	The managing director of the Company.
Maphanga	ZTM Brokers Close Corporation.
Maximum Subscription	$19,000,000 by way of the issue of New Shares.
Merensky Reef	A layer of igneous rock in the Bushveld Complex which (together with the underlying UG2), contains most of the world's known PGM reserves.
Mineral Reserve (or Ore Reserve)	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. (as defined in the JORC Code 2012).
Mineral Resource	Concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. (as defined in the JORC Code 2012).
Minimum Subscription	$17,000,000 by way of the issue of New Shares.
Mining Charter	The South African Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018.
Mining Right Application	An application submitted to the relevant regulatory authority in South Africa to obtain the rights to mine defined minerals within a property boundary.
Minxcon	Minxcon Proprietary Limited.
MPRDA	South African Mineral and Petroleum Resources Development Act, 2002.
MUM	Miracle Upon Miracle Investments Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 2007/035275/07.
New Shares	The new Shares offered for subscription under the Offer as set out in this Prospectus.
Nurinox	Nurinox Investments Proprietary Limited.
Nurinox Parties	Nurinox and Maphanga.
Offer	The offer of a minimum of 34,000,000 New Shares and a maximum of 38,000,000 New Shares to members of the public under this Prospectus, subject to and on the Terms of the Offer.

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Offer Price	The subscription price per New Share under the Offer (i.e. $0.50 per New Share).
Official List	The official list of entities that ASX has admitted to and not removed from listing.
Option	An option to acquire a Share.
Performance Right	A right to be issued with a Share, subject to the achievement of certain performance criteria.
PGE (4E) or PGE	Platinum + palladium + rhodium + gold. Also referred to as 3PGE +Au.
PGMs	Platinum group metals, comprising platinum, palladium, rhodium ruthenium, iridium and osmium.
Preferent Prospecting Right or Prospecting Right	The prospecting right held by MUM in relation to the Project as described in more detail in Section 3.4.
Project or Bengwenyama Project	The project owned and operated by Southern Palladium comprising the Prospecting Right and the related exploration and (if applicable) mineral development activities.
Properties	Eerstegeluk 327KT (previously known as Eerstegeluk 322KT) and Nooitverwacht 324KT, located near the town of Steelpoort, Limpopo Province, Republic of South Africa.
Prospectus	This combined prospectus and pre-listing statement consisting of all the documents contained in this bound document (including the electronic form of this document) prepared in accordance with the Corporations Act, ASX Listing Rules and the JSE Listings Requirements (to the extent applicable) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being 22 April 2022.
R or Rand or ZAR	South African rand, the official currency of South Africa.
Relevant Officers	The Directors, including the Managing Director.
Rustenburg Layered Suite	An extensive group of layered igneous rocks that comprise part of the the Bushveld Complex and host economic horizons.
SA Exchange Control Regulations	The Exchange Control Regulations of South Africa issued under the South African Currency and Exchanges Act, 1933, as amended.
SARB	South African Reserve Bank.
SCA	Supreme Court of Appeal in South Africa.
Segall	Annette Lilian Segall.
SENS	The Stock Exchange News Service of the JSE.
Share Exchange Agreement or Second Agreement	The Share Exchange Agreement between, amongst others, the Company, MUM and the Vendors dated 11 May 2021 in respect of the Acquisition, which was restated and amended on 14 September 2021 and further restated and amended on 23 March 2022.
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277 and Computershare Investor Services Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 2004/003647/07, in relation to the Company's South African register.
Shareholder	Holder of Shares.
Shares	Ordinary shares in the capital of the Company.
South Africa	The Republic of South Africa.
South African Companies Act	The South African Companies Act, 2008, as amended.

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South African Financial Markets Act	The South African Financial Markets Act, 2012, as amended.
Southern Palladium or the Group	Collectively, the Company and its subsidiaries, or any one or more of them as the context may require.
Spitzkoppe Trust	The trustees for the time being of the Spitzkoppe Trust, a trust registered in Namibia under reference number T199/04.
Strate	An electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, operated by Strate Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 1998/022242/07, and a registered central securities depository in terms of the South African Financial Markets Act, 19 of 2012 (as amended) and responsible for the electronic custody and settlement system used by the JSE.
Strate System	An electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, operated by Strate, and a registered central securities depository in terms of the South African Financial Markets Act.
Terms of the Offer	The terms and conditions set out in this Prospectus, including any modifications made by the Company.
UG2	Upper Group 2 reef, a chromitite-rich layer of igneous rock in the Bushveld Complex which (together with the overlying Merensky Reef), contains most of the world's known PGM reserves.
Upper Critical Zone	An economically important cyclic rock unit within the Rustenburg Layered Suite containing several chromitite seams.
US Securities Act	US Securities Act of 1993 (as amended).
Vendors or Sellers	The Atlantic Parties, Legacy, Leibowitz, Segall, Spitzkoppe Trust and the Nurinox Parties.

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13 Corporate Directory

Registered Office Level 1, 283 George Street Sydney NSW 2000 Australia Email: info@southernpalladium.com Website: www.southernpalladium.com	**Australian Auditor** BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000 **Investigating Accountant** BDO Corporate Finance (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Board Members Terence Goodlace Johan Odendaal Geoff Hiller Mike Stirzaker Rob Thomson Daan van Heerden	**South African JSE Accredited Independent Reporting Accountant** BDO South Africa Incorporated Wanderers Office Park, 52 Corlett Drive Illovo, 2196 South Africa (Private Bag X605000, Houghton, 2041, South Africa)
Company Secretary Andrew Cooke 121 Prince Alfred Parade Newport, NSW 2106	**Independent Geologist** CSA Global Pty Ltd Level 2, 3 Ord Street West Perth WA 6005
South African Legal Adviser Falcon & Hume Inc Second Floor, 8 Melville Road Illovo Sandton 2196 South Africa (PO Box 55523, Northlands, 2116, South Africa)	**Australian Legal Adviser** Thomson Geer Level 14, 60 Martin Place Sydney NSW 2000
Lead Manager Bridge Street Capital Partners Pty Ltd ACN 164 702 005 CAR AFSL 456663 Level 14, 234 George Street Sydney NSW 2000	**JSE Sponsor** Merchantec Proprietary Limited 13th Floor, Illovo Point, 68 Melville Road Sandton, 2196 South Africa (PO Box 41480, Craighall, 2024, South Africa)
Share Registry **Australia:** Computershare Investor Services Pty Limited GPO Box 52 Melbourne, VIC 3001	**Share Registry** **South Africa:** Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue Rosebank, 2196 South Africa (Private Bag X9000, Saxonwold, 2132, South Africa)

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Appendix A - Independent Technical Assurance Report

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CSA Global
Mining Industry Consultants
an ERM Group company

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BENGWENYAMA PGE PROJECT

Independent Technical Assessment Report

REPORT № R246.2021
19 April 2022

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Report prepared for

Client Name	Southern Palladium Limited
Project Name/Job Code	SPLITA01
Contact Name	Mike Stirzaker
Contact Title	Director
Office Address	c/o MNSA Pty Ltd, Level 1, 283 George Street, Sydney, NSW, 2000

Report issued by

CSA Global Office	**CSA Global Pty Ltd** Level 2, 3 Ord Street West Perth WA 6005 AUSTRALIA T +61 8 9355 1677 F +61 8 9355 1977 E info@csaglobal.com
Division	Corporate

Report information

Filename	R246.2021 SPLITA01 Southern Palladium Bengwenyama ITAR v7
Last Edited	15/03/2022
Report Status	Final

Author and Reviewer Signatures

Coordinating Author and CSA Global Authorisation	Brendan Clarke PhD, PrSciNat, FGSSA	onic signature not for duplication. ure not for duplication. Electronic signa ation. Electronic signature not for onic signature not for duplication. ure not for duplication. Electronic signa
Contributing Author	Anton Geldenhuys MEng, PrSciNat, MGSSA	
Contributing Author	Nerys Walters BSc, MCSM, FGS	Electronic Signature. Not for Duplication.
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Peer Reviewer	Trivindren Naidoo MSc, MAusIMM, FGSSA, PrSciNat	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.

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Executive Summary

Southern Palladium Limited (SPD) commissioned CSA Global Pty Ltd (CSA Global), an ERM Group company, to prepare an Independent Technical Assessment Report (ITAR) for the Bengwenyama PGE Project in Limpopo Province, South Africa ("the Project"). The ITAR is required to be reported in accordance with Australian Securities Exchange (ASX) Listing Rules and the JORC[1] and VALMIN[2] codes as well as the JSE Listing Rules.

The Project is located approximately 250 km east-northeast of the capital of South Africa, Pretoria and is underlain by the PGE-mineralised UG2 chromitite and pyroxenitic Merensky Reef of the Rustenburg Layered Suite of the Bushveld Complex. The Bushveld Complex is the world's largest repository of platinum group elements (PGEs), and the Project is adjacent to existing PGE mines and exploration projects. Systematic exploration work was completed by Nkwe Platinum Limited (Nkwe) in 2007 and 2008. The Bengwenyama Tribe, through a corporate vehicle, Miracle upon Miracle Investments (Pty) Ltd, was awarded a Preferent Prospecting Right over the Project in 2015, after a protracted legal battle. The Preferent Prospecting Right was renewed in early 2021 and is valid until February 2024. The Project comprises the farms Nooitverwacht 324 KT and Eerste Geluk 327 KT and has a total areal extent of 5,279.74 ha. It is well serviced by existing infrastructure, with the exception of the high ground on Nooitverwacht.

The Bushveld Complex is characterised by significant lateral continuity of the igneous layering in the complex, with individual layers being traceable and frequently uniform for tens to hundreds of kilometres. Additionally, the Project is on strike with several advanced exploration projects and operating mines. With the exception of local disturbances to the economic reefs, such as potholing, discordant iron-rich pegmatoids, later dykes and kilometre-scale floor rock domes, both the Merensky Reef and UG2 are present throughout the Rustenburg Layered Suite and are mineralised throughout their extent. In the Project area, the effects of floor rock deformation related to the diapiric rise of a large floor dome, the Steelpoort pericline, is only present on the eastern part of Eerste Geluk and does not impact the Mineral Resource area documented in this ITAR, and both the Merensky Reef and UG2 in the Mineral Resource area dip reasonably uniformly to the west at between 10° and 20°. Brittle faulting, related to the regional Steelpoort Fault, is present and has resulted in a series of smaller-scale faults in the Project area that have raised or lowered the Merensky Reef and UG2.

The local characteristics of the Merensky Reef and UG2 are well-understood based on the accounts of Nkwe, and the neighbouring operations and the stratigraphy is uniform, well-documented and well-understood. The UG2 at the Project ranges in thickness from 0.2 m to 1.14 m, averaging approximately 70 cm, whereas the Merensky Reef is between 0.2 m and 5.71 m thick, averaging approximately 2 m.

SPD has not carried out any exploration at the Project and reliance has been placed entirely on exploration results disclosed by Nkwe in accordance with the previous edition (2004) of the JORC Code. Nkwe drilled 30 diamond drillholes (motherholes) and 69 deflections, of which the assay results, thicknesses and collar positions have been reported for 21 motherholes and 52 deflections. Although original drill core, retained sample material and the original drilling database are not available, SPD has been able to construct a dataset from the information disclosed by Nkwe. Drillhole collars are still present in the field and several of these were validated by the Competent Person. Despite the shortcomings of the dataset, the Competent Person is satisfied that the results disclosed by Nkwe and compiled by SPD are sufficiently robust to support a Mineral Resource estimated and reported in accordance with JORC (2012) and classified at the Inferred level, for the following reasons:

- Reliable base data (although supporting data are limited)

[1] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC)

[2] Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists

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- Drillhole intersections supported by assay data (intersections that only had reef widths were used to prove reef continuity, but were not included in the extrapolation of Inferred Mineral Resources)
- The Inferred range is based on twice the variogram range
- Drillhole spacing
- Reef continuity confirmed by the Project drillholes and the operations or projects to the north (Modikwa), East (Grootboom) and South (Kennedy's Vale) of the Bengwenyama Project
- Reef thickness and grade is comparable to neighbouring projects and operations.

The Mineral Resource estimate (MRE) was completed by Minxcon Pty Ltd (Minxcon) effective of 31 October 2018 for the Merensky and UG2 reefs. The Competent Person reviewed the Minxcon Mineral Resource and updated the classification where required.

The Mineral Resource for the Bengwenyama PGE Project (Table 1) is reported in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). A geological loss was applied to the tonnages of the Inferred material which was discounted by 10% and 17% for the Merensky and UG2 reefs, respectively (based on Nkwe Mineral Resource statements). This reduction in tonnage accounts for reef material lost due to faulting, dykes, and potholes. Pay limit grades of 2.2 g/t 3PGE+Au for the UG2 and 1.2 g/t 3PGE+Au for the Merensky reefs are applied (3PGE+Au is platinum + palladium + rhodium + gold).

Table 1: Mineral Resource for the Bengwenyama Project as of 1 July 2021

Mineral Resource classification	Reef	Tonnes (Mt)	3PGE+Au		Reef width (cm)
			g/t	Moz	
Inferred	UG2	33.87	7.70	8.38	71
Inferred	Merensky Reef	110.02	2.96	10.42	191
Total		**143.89**	**4.07**	**18.80**	

Notes:
- *3PGE+Au refers to platinum + palladium + rhodium + gold*
- *Mineral Resource pay limit is 2.2 g/t 3PGE+Au for UG2 and 1.2 g/t 3PGE+Au for Merensky*
- *Basket price used for the pay limit calculation is US$2,086/oz for UG2 and US$1,794/oz for Merensky*
- *Geological losses of 17% for the UG2 and 10% for the Merensky have been applied*
- *Figures may not add up due to rounding*
- *Mineral Resources are reported as total Mineral Resources and are not attributed.*

Based on the drillhole data, an Exploration Target is reported beyond the Inferred Mineral Resource reported above. Please note that the potential quantity and grade of the Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target was estimated using the Sichel t-estimator, which is used for estimating the average grade of an area or volume with limited data. The maximum grades (and tonnages) correspond to 20% above the Sichel t-estimate and the minimum grades (and tonnages) are reported as being 20% below the Sichel t-estimate. Geological losses of 40% and 35% are applied for the UG2 and Merensky, respectively. The pay limit is the same as that applied for the Inferred Mineral Resource; 2.2 g/t 3PGE+Au for the UG2 and 1.2 g/t 3PGE+Au for the Merensky (3PGE+Au is platinum + palladium + rhodium + gold).

Table 2: Exploration Target for the Bengwenyama Project as of 1 July 2021

Category	Reef	Minimum tonnes (Mt)	Maximum tonnes (Mt)	Minimum grade (3PGE+Au g/t)	Maximum grade (3PGE+Au g/t)
Exploration Target	UG2	45	68	5.9	8.9
Exploration Target	Merensky Reef	88	133	2.2	3.4
Total		**134**	**201**	**3.5**	**5.2**

Project risks are largely the same as similar projects in the Bushveld Complex and pertain to hitherto unknown distributions of iron-rich pegmatoids and potholes and the inferred positions of faults and dykes, all of which

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can be reef-destructive. Project-specific risks emanate from the lack of original project data and relate to the lack of downhole survey data, lack of original assay results and associated quality assurance and quality control (QAQC) information. Exploration activities are not always successful and, as with any exploration and mining company, there is a risk that metals prices may decrease below prices that sustain a potential mine.

SPD has compiled a work program comprising two phases of drilling, for a total of approximately 38,000 m, complemented by study work. The work program aims to upgrade the classification of the Mineral Resource in areas where the UG2 occurs at less than 500 m below surface. In addition, the conversion of existing Exploration Target material to Inferred Mineral Resources, is earmarked. This planned upgrade of the shallower portions of the UG2 will facilitate downstream economic studies and possibly the conversion of Mineral Resources to Ore Reserves, potentially culminating in the submission of a Mining Work Program and Mining Right Application. A total budget of A$13.2 million has been set aside for the completion of this work within a two-year (post-initial public offering) timeframe.

The progression of Mineral Resources to increasing levels of confidence is dependent on the outcome of infill drilling. There is no guarantee that additional drilling will lead to progressive upgrades in Mineral Resource confidence, or the upgrading of Exploration Targets to Mineral Resources. In this specific instance, however, the technical risk of a Bushveld Complex infill program not delivering a material upgrade in Mineral Resource confidence is considered low, based on the Competent Person's experience of previous projects in this setting.

Despite the early-stage nature of the Project, its location in a well understood exploration and mining jurisdiction, coupled with the significant continuity of both the Merensky and UG2 reefs in the area, have already de-risked the Project, geologically, to a significant extent.

The Competent Person has reviewed the exploration program and is of the opinion that it is appropriate, and the funds allocated will be sufficient to commence exploration activities and sustain these over the first two years. Progressive expenditure will naturally depend on the success of the proposed exploration activities. SPD may require additional funding should the outcome of the initial exploration work trigger modifications to the proposed activities.

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global), an ERM Group company, was contracted by Southern Palladium Limited (SPD) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO) of 38 million shares at an issue price of 50 cents per share (to raise A$19 million) for SPD to enable a simultaneous listing on the Australian Securities Exchange (ASX) and the Johannesburg Stock Exchange (JSE). The funds raised will be used for the purpose of exploration and evaluation of Bengwenyama PGE Project in the Limpopo Province of South Africa ("the Project"), which is the subject of this ITAR. This ITAR includes a Mineral Resource estimate (MRE).

The ITAR is subject to the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN[3] Code). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Took due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) the ASX and the JSE, including ASIC Regulatory Guide 111 – Content of Expert Reports and ASIC Regulatory Guide 112 – Independence of Experts.
- Relied on the accuracy and completeness of the data provided to it by SPD, and that SPD made CSA Global aware of all material information in relation to the Project.
- Relied on SPD's representation that it will hold adequate security of tenure for exploration and assessment of the Project to proceed.
- Required that SPD provide indemnity to the effect that SPD would compensate CSA Global in respect of preparing the ITAR against any and all losses, claims, damaged and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the ITAR to the extent that such loss, claim, damage or liability is a direct result of SPD or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or SPD, or its directors or officers knowingly withholding material information.
- Required an indemnity that SPD would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions or public hearing arising from the ITAR.

1.2 Compliance with the VALMIN and JORC Codes

The ITAR has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC[4] Code and the rules and guidelines issued by such bodies as ASIC and ASX that pertain to Technical and Independent Expert Reports. The ITAR will be acceptable to the JSE given that it has been prepared in accordance with JORC (2012).

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the Project on information made available to the authors by SPD and its consultants, Minxcon Pty Ltd (Minxcon) along with technical reports prepared by other consultants, government agencies and previous tenement holders as well as other relevant public and unpublished data. CSA Global has also relied upon discussions with SPD's management for information contained within this assessment. This ITAR has been based on information available up to and including 1 July 2021.

[3] Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <http://www.valmin.org>

[4] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code), 2012 edition, prepared by the Joint Ore Reserves Committee of the Australasia Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. <http://www.jorc.org>

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CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this ITAR is based, and the ITAR contains additional commentary around missing data. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by SPD in the form of documentation.

Mr Nico Denner, previous Competent Person for the Project around the time of the drilling, was contacted to assist in the verification of the historical data sourced from the public domain. Mr Nico Denner has confirmed the reliability of the reef intersections and grade during the time he was the Competent Person. In addition to this, Mr Nico Denner has confirmed the historical Mineral Resources that were declared by Nkwe in 2008 prior to recent updated Mineral Resource. Due to confidentiality restrictions, Mr Nico Denner could not share detailed data.

SPD was provided a final draft of this report and requested to identify any material errors and omissions prior to its lodgement.

Descriptions of the mineral tenure, tenure agreements, previous legal matters, encumbrances and environmental liabilities were provided to CSA Global by SPD or its consultants. SPD has warranted to CSA Global that the information provided for the preparation of this report correctly represents all material information relevant to the Project. Full details on the mineral licence/s comprising the Project are provided in the Independent Solicitor's Report elsewhere in the Prospectus.

1.4 Authors of the Report

CSA Global, an ERM Group company, is a mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants from a range of CSA Global offices, including South Africa, the United Kingdom and Australia. The individuals who have provided input into the ITAR have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The two primary authors of this ITAR have specialist expertise on the Bushveld Complex, the mineralised setting for the Project. The Competent Persons' individual areas of responsibility are presented below:

- **Coordinating author – Dr Brendan Clarke** (Partner – CSA Global, United Kingdom) is responsible for the geological commentary, exploration review, exploration potential as well as the discussion on the use of funds. Dr Clarke is a geologist with 21 years' experience in the exploration and evaluation of minerals projects globally, across the commodities spectrum. Dr Clarke's experience covers a diverse range of exploration settings including orogenic gold in Africa, eastern Europe and the Middle East, iron ore in Africa and India, base metals in Southern Africa, the Middle East and Ireland, "battery" and industrial minerals in Africa, the Middle East and India, and platinum group metals (PGMs) and associated nickel sulphide deposits in South Africa, Botswana, Zimbabwe, and Burundi. His South African PGM experience includes the management and execution of exploration programs and project development studies on the Bushveld Complex (including properties immediately adjacent to the Project), Bushveld-related satellite intrusions and the assessment of PGE-nickel potential over a meteorite impact structure.
- **Contributing author – Mr Anton Geldenhuys** (Principal Resource Geologist – CSA Global, South Africa) is responsible for the review of the Mineral Resource and visited the site on 9 April 2021. Mr Geldenhuys is a Mineral Resource specialist with more than 20 years' experience. He possesses broad commodity experience including precious metals, vanadium, lithium, rare-earth elements, graphite, tin, potash, base metals, and iron ore. Mr Geldenhuys has extensive experience in the South African platinum industry having worked at several operations and projects throughout the Bushveld Complex over the last 17 years. He has extensive expertise in the governance of exploration projects and has worked on a myriad of projects throughout Africa, India, the Americas, and Europe. Mr Geldenhuys is a member of the South African Council for Natural Scientific Professions, the Geological Society of South Africa, and (since 2005) the Geostatistical Association of Southern Africa.

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- **Contributing author – Ms Nerys Walters** (Senior Geologist – CSA Global, United Kingdom) is responsible for data collection commentary and review of the geological and mineralisation model used to estimate Mineral Resources. Ms Walters is a geologist with 20 years' experience, spanning early-stage exploration through to mine site production. Her skills include three-dimensional (3D) implicit and explicit modelling of geology and mineralisation using Micromine and Leapfrog Geo software, drillhole planning for grassroots exploration through to near-mine development, site reviews for JORC/NI 43-101 compliance, lab audits, and Mineral Resource estimation.
- **Contributing author – Ms Jane Coll** (Senior Geologist, Resources and Mining – CSA Global, Western Australia). Ms Coll is a senior geologist with over 13 years' experience in a broad range of minerals sector activities including grade control, Mineral Resource estimation, greenfields and brownfields exploration through to feasibility study. She spent seven years working at Sunrise Dam gold mine (Western Australia) and was part of the mining team which successfully introduced underground reverse circulation (RC) drilling as a grade control method.
- **Peer review – Mr Trivindren Naidoo** (Principal Geologist, Valuation – CSA Global, Western Australia). Mr Naidoo is an exploration geologist with over 20 years' experience in the minerals industry, including 16 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI 43-101 and CIMVAL) and valuation. His knowledge is broad based, and Mr Naidoo has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. Mr Naidoo is part of CSA Global's Corporate team and has completed independent evaluations and valuations of numerous mineral assets ranging from early-stage exploration properties to projects with multiple operating mines, across various commodities and jurisdictions.

1.5 Independence

Neither CSA Global, nor the authors of this ITAR, has or has had previously, any material interest in SPD or the mineral properties in which SPD has an interest. CSA Global's relationship with SPD is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to SPD at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the ITAR. The fee for the preparation of this ITAR is approximately A$37,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or any other direct employee of SPD. No member or employee of CSA Global has, or has had, any shareholding in SPD.

There is no formal agreement between CSA Global and SPD, as to SPD providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this Document

This ITAR has been prepared by CSA Global at the request of, and for the sole benefit of SPD. Its purpose is to provide an ITAR of SPD's Bengwenyama PGE Project.

The ITAR is to be included in its entirety or in summary form within a prospectus to be prepared by SPD in connection with an IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this ITAR are given in good faith, and in the belief that they are not false or misleading. The conclusions are based on the reference date of 1 July 2021 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

The opinions expressed in the ITAR have been based on the information supplied to CSA Global by SPD. The opinions in the ITAR are provided in response to a specific request from SPD to do so. CSA Global has

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exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the ITAR apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of the ITAR, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's opinions are based on information provided by SPD and their consultants and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

CSA Global has no obligation or undertaking to advise any person of any development in relation to the mineral assets which comes to its attention after the date of this ITAR. CSA Global will not review, revise or update the ITAR, or provide an opinion in respect of any such development occurring after the date of this ITAR.

No audit of any financial data has been conducted.

1.6.2 Competent Persons' Statements

The information in this ITAR that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Dr Brendan Clarke, a Partner and an employee of CSA Global. The information in this ITAR that relates to Mineral Resources is based on work undertaken by Anton Geldenhuys, a Principal Consultant and employee of CSA Global.

Both Dr Clarke and Mr Geldenhuys are Professional Natural Scientists registered with the South African Council of Natural Scientific Professions, a Recognised Professional Organisation, and both have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as Practitioners as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Both Dr Clarke and Mr Geldenhuys consent to the inclusion in the ITAR of the matters based on their information in the form and context in which it appears.

1.6.3 Site Inspection

Mr Geldenhuys undertook a site visit to the Project on 9 April 2021, accompanied by an SPD consultant and members of the local community. During the site visit, numerous drillhole collars were observed, and positional verification undertaken. The UG2 outcrop on the neighbouring property, Winterveld, was also observed.

1.7 About this Report

This ITAR describes the geology, Mineral Resources and prospectivity (inclusive of Exploration Targets) of the Bengwenyama PGE Project in South Africa. The geology and mineralisation, completed exploration work, MRE and Exploration Target are discussed. An effort was made to summarise this body of work to contain the size and enhance the readability of the ITAR.

No valuation has been requested or completed for the Project.

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2 Project Background: Location, Tenure, Physiography and Access

2.1 Location, Extent and Access

The Project comprises the full extent of the farms Nooitverwacht 324 KT and Eerste Geluk 327 KT, both of which are in the Limpopo Province of South Africa (Figure 2-1). At its closest point, the Project lies approximately 5 km west of the village of Steelpoort, and about 20 km west-southwest of the larger town of Burgersfort. The Project is located 250 km east-northeast of Pretoria (Figure 2-2).

The Project is accessible via a tarred road which branches off the R555 main road that runs just to the south of the Project area. The lower elevation reaches of the Project are easily accessible by vehicle, whereas the more mountainous parts are accessible on foot. Driving time from Pretoria is approximately 3.5 hours.

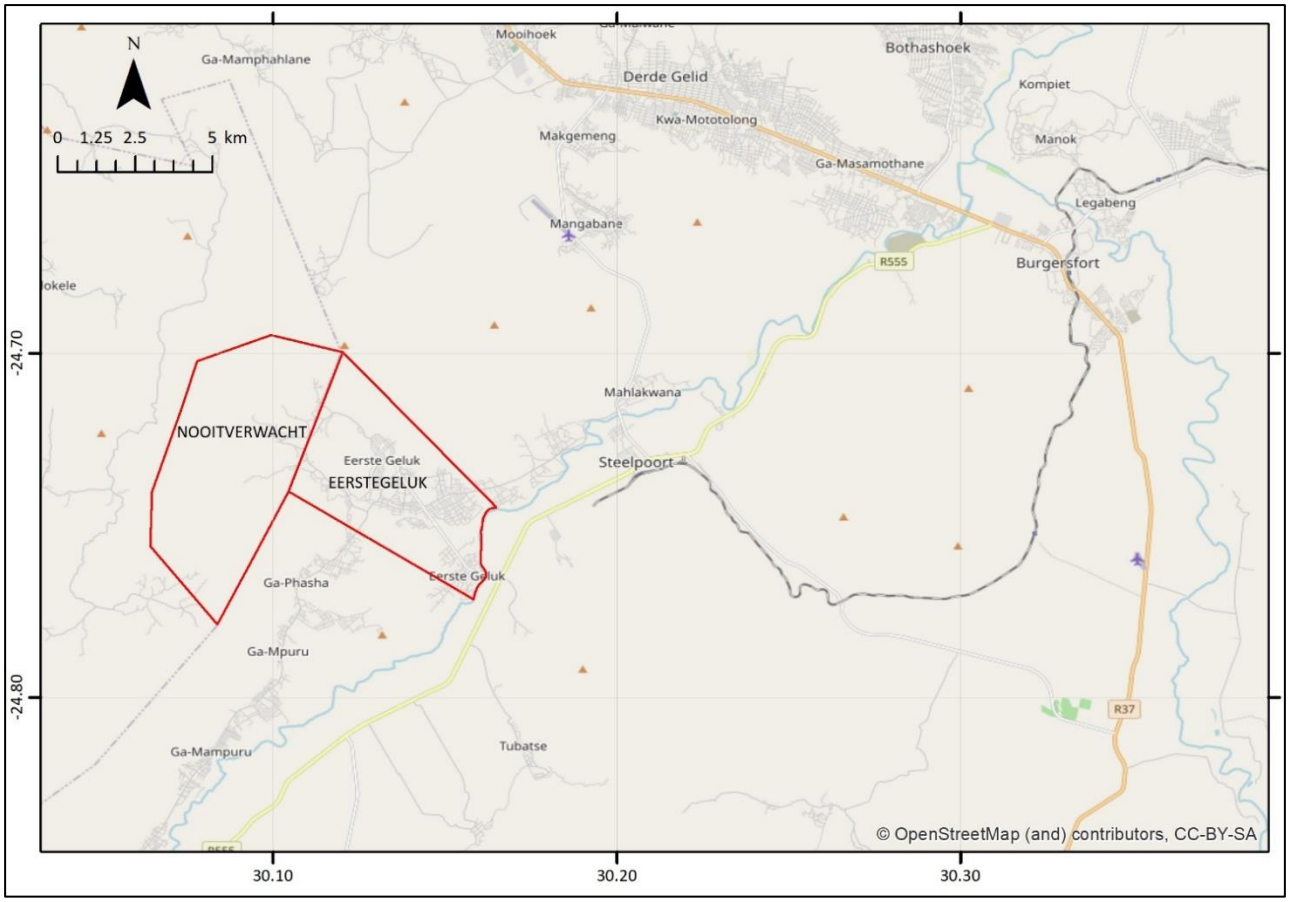

Figure 2-1: Location of the Project in relation to nearby towns and villages

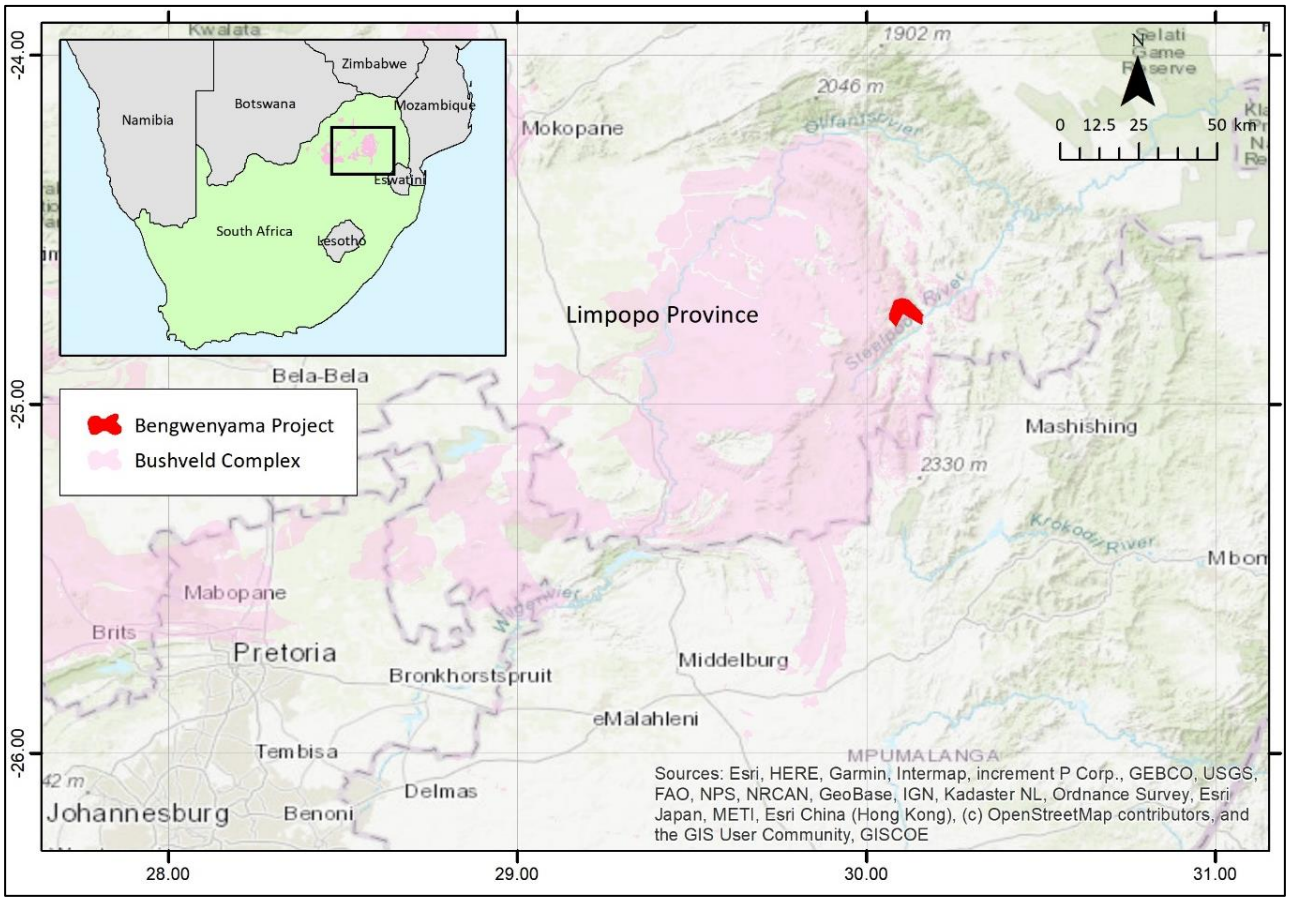

Figure 2-2: Regional locality map, with the extent of the Bushveld Complex indicated

The total areal extent of the Project comprises 5,279.74 ha, as detailed in Table 2-1.

Table 2-1: Project areal extent and tenure status

Farm name	Portion number	Extent (ha)	Prospecting Right number	Prospecting Right expiry date
Nooitverwacht 324 KT	1	1,585.01	LP30/5/1/1002PPR	12 February 2024
	2	1,386.00		
Eerste Geluk 327 KT	Remainder	2,174.13		
	2	109.16		
	3	25.44		
Total		**5,279.74**		

2.2 Physiography

A large portion of Eerste Geluk is characterised by flat topography, with the exception of the hill located near the boundary with Nooitverwacht. Elevation of Eerste Geluk ranges from 760 m (above sea level) to 1,200 m. By contrast, Nooitverwacht is mountainous, and elevations range from 860 m (above sea level) to 1,700 m (Figure 2-3). Vegetation in the Project area is typical denuded grassland and scrub.

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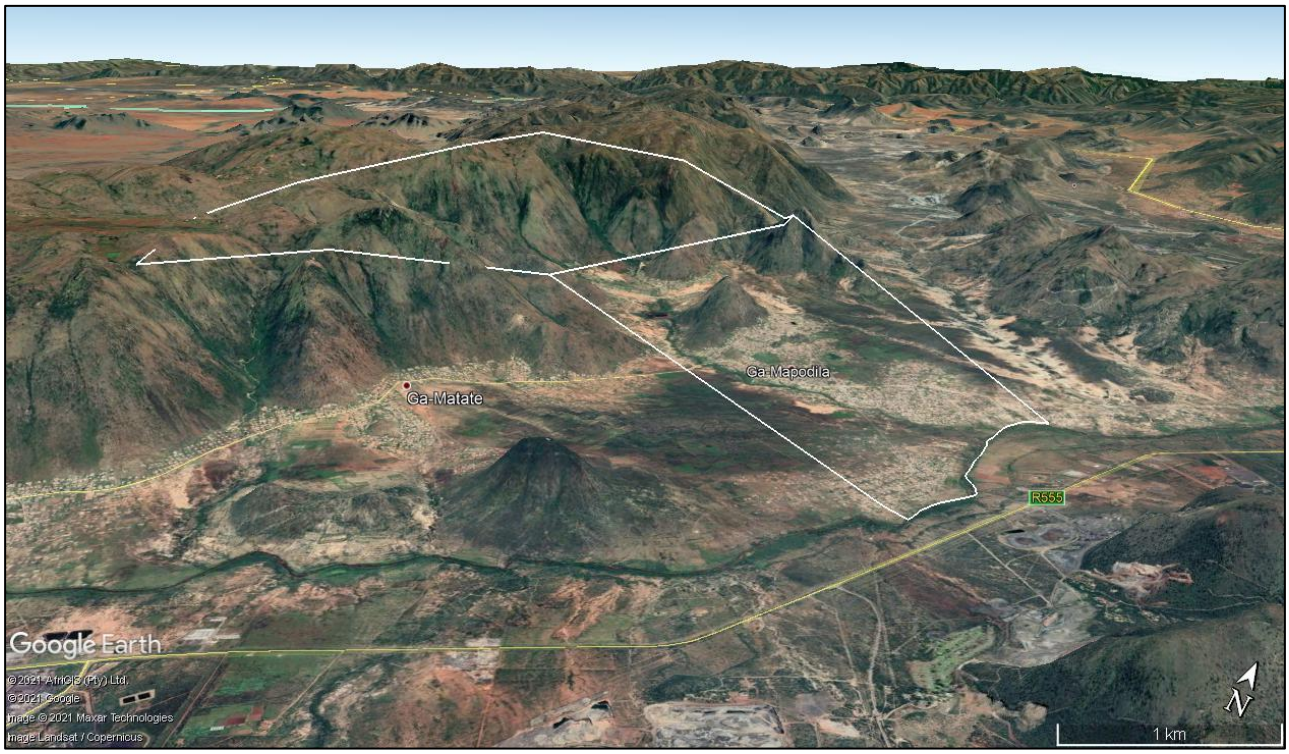

Figure 2-3: Northwest-facing view across Eerste Geluk (foreground) and Nooitverwacht (vertical exaggeration is 2x)

2.3 Local Resources and Infrastructure

The nearby village of Steelpoort, and the more distant town of Burgersfort, are sources of both labour and mining equipment. Middelburg is approximately 100 km, and Johannesburg 300 km away from the Project, and any equipment not found in Steelpoort can easily be acquired in either of these cities.

The R555 main road runs just south of the southern boundary of the Project and is a single carriage way asphalt road which carries a high volume of traffic. There is a railway siding at the town of Steelpoort.

Grid power runs along the R555 and would be available to mining operations at the Project, subject to permitting and regulatory approvals.

De Hoop dam, located to the west of the Project in the Steelpoort valley, supplies the area with a reliable source of water.

No mining-related surface infrastructure is present at the Project, which is in the exploration phase of assessment and development.

A local community occupies the lower reaches of the Project area in a mix of formal and informal housing (Figure 2-4).

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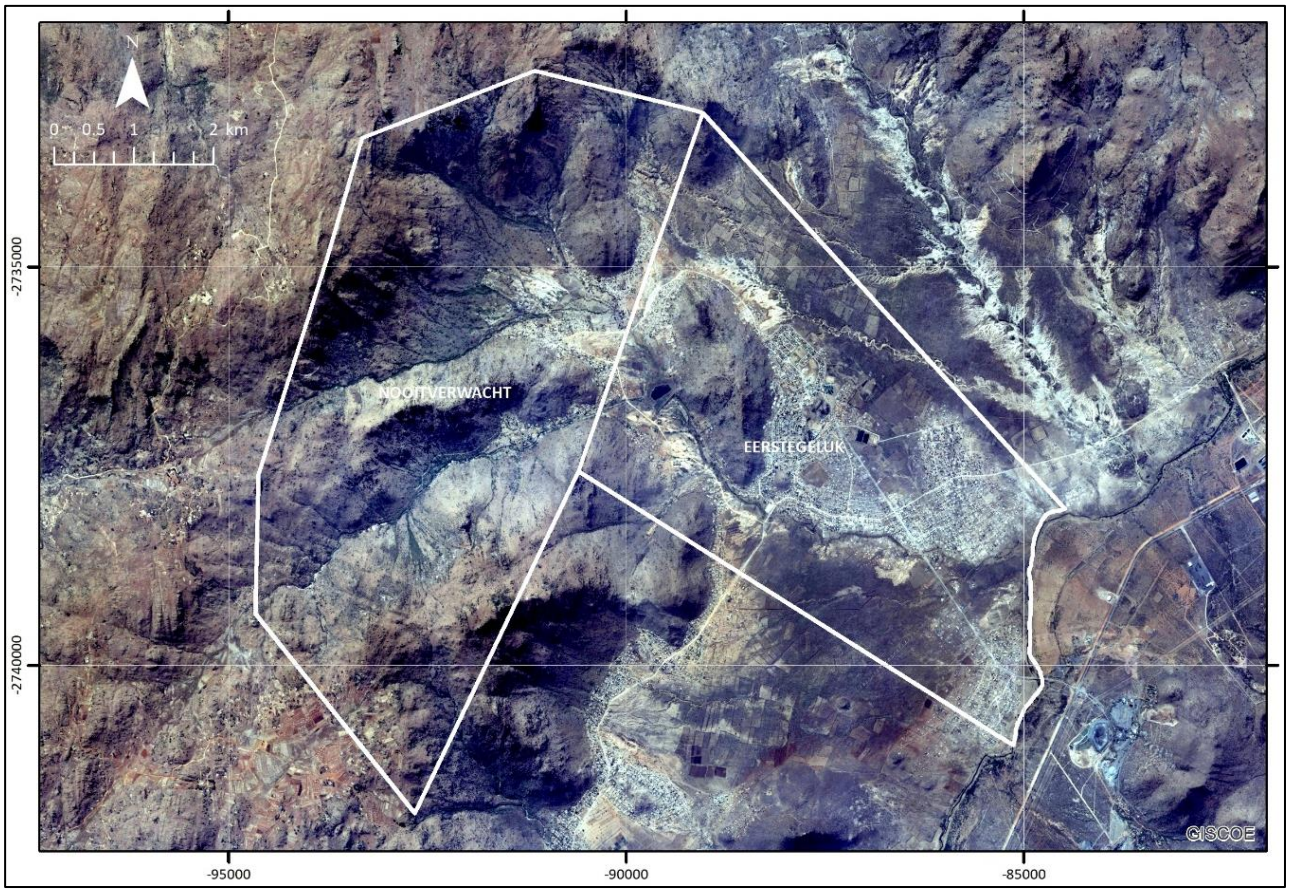

Figure 2-4: Satellite image of the Project area; local coordinate system (LO 31)

2.4 Climate

The area is characterised by hot summers and associated convectional thunderstorms that typically occur in the afternoon and early evening during the summer months. Summer high temperatures are well above 30°C and winter is characterised by cool to cold nights (down to 5°C) but days are characteristically warm – and typically in the region of 20–25°C (Figure 2-5).

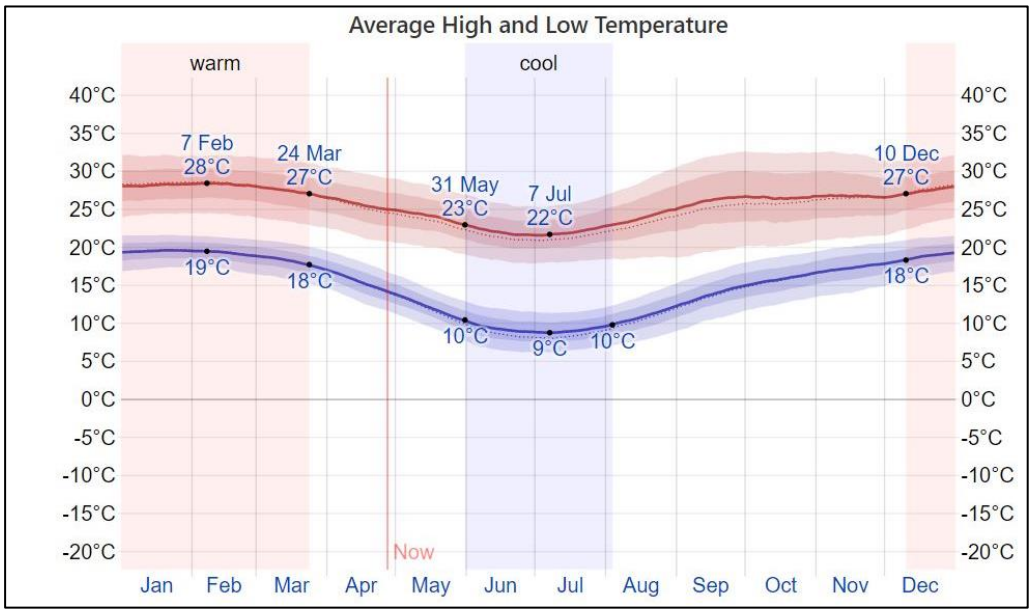

Figure 2-5: Annual temperature variation for Burgersfort, approximately 20 km from the Project
Source: www.weatherspark.com

Annual rainfall is typically in the range of 550–600 mm per year, and this falls almost entirely within the summer months (Figure 2-6). Mining operations in the area run on a year-round basis.

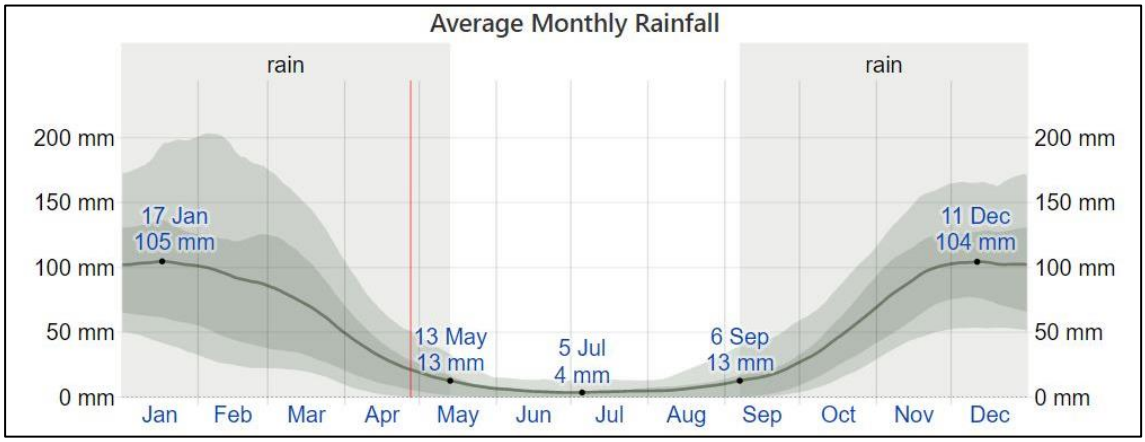

Figure 2-6: Annual rainfall distribution at Burgersfort, approximately 20 km from the Project
Source: www.weatherspark.com

2.5 Project Ownership and Tenure

The CP Global has not independently verified the ownership and tenure associated with the Project and has relied on the Independent Solicitor's Report, elsewhere in the Prospectus. The information presented below is based on representations made by SPD and its consultants, Minxcon.

2.5.1 Ownership and Proposed Corporate Structure

Mineral rights at the Project reside with Miracle Upon Miracle Investments (Pty) Ltd (MUM) which currently has three shareholders, Nurinox Investments (Pty) Ltd (Nurinox), Atlantic Nominees (Atlantic), and Legacy Platinum (Legacy). The Bengwenyama-ye-Maswazi tribe (refer to Section 3.1) are fully represented by Nurinox.

Prior to the IPO, SPD will acquire 70% in MUM through a share exchange transaction (Figure 2-7). SPD will have 51,750,000 shares issued at this point ("Acquisition"). SPD will offer 38,000,000 shares in the IPO to potential funders, increasing the total issued shares to potentially 89,750,000 post-IPO which will dilute the existing shareholders. In addition to the initial share issue, SPD will issue an additional 1,200,000 shares to seed investors after certain Project milestones are met. As a result, a maximum of 90,950,000 shares will be issued before the issue of options.

As such, the corporate structure of the Company and the Project (on an undiluted basis) following completion of the Acquisition and immediately prior to the IPO will be as shown in the diagram below.

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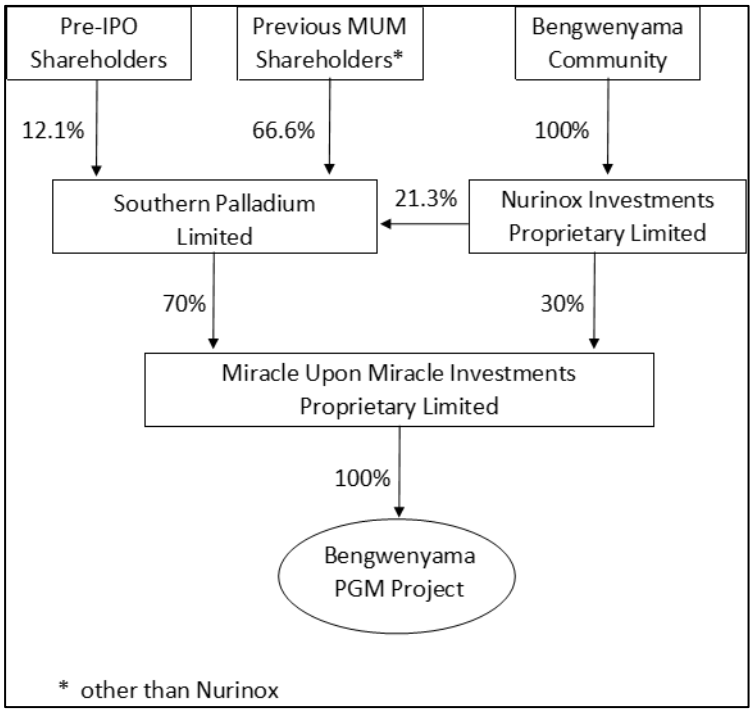

Figure 2-7: Proposed Project ownership structure after acquisition and immediately prior to the IPO

2.5.2 Tenure

South Africa's exploration and mining industry is governed by the *Mineral and Petroleum Resource Development Act of 2002* ("MPRDA" or "the Act"). The MPRDA entrenches a "use it and keep it" principle. In the Act, the State has re-affirmed its commitment to guaranteeing security of tenure in respect of prospecting and mining operations.

An objective of the Act is the pursuance of the government's policy of furthering Black Economic Empowerment (BEE) within South Africa's minerals industry, by encouraging mineral exploration and mining companies to enter equity partnerships with BEE companies. The Act also makes provision for the implementation of social responsibility procedures and programs by resource companies.

Mineral rights are vested in the nation, with the State viewed as the custodian and guardian of these rights. The South African Department of Mineral Resources and Energy (DMRE) has sole regulatory control with regards to issuing of mining and prospecting licences and permits, their monitoring, enforcement and closure.

The fundamental principles of the MPRDA are that:

- Mineral Resources are non-renewable
- Mineral Resources belong to the Nation and the State is the custodian
- Protection of the environment for present and future generations to ensure sustainable development of the resources by promoting economic and social development
- Promotion of local and rural development of communities affected by mining
- Reformation of the industry to bring about equitable access to the resources and eradicating discriminatory practices
- Guaranteed security of tenure.

Section 5(4) of the MPRDA states that any proponent may not mine any mineral or "commence with any work incidental thereto on any area" without:

- An approved and executed Mineral Right
- An approved Environmental Management Plan

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- Notifying and consulting landowners or lawful occupiers of the land in question.

MUM was granted a Preferent Prospecting Right over Eerste Geluk and Nooitverwacht, granted in accordance with Section 104 of MPRDA on 10 June 2015, for an initial period of five years. The Preferent Prospecting Right covered platinum group elements (PGEs), gold, copper, chrome, cobalt, silver, and nickel. Preferent prospecting and mining rights are specifically granted to local communities, as documented in Section 104 of the MPRDA as follows:

"104. (1) Any community who wishes to obtain the preferent right to prospect or mine in respect of any mineral and land which is registered or to be registered in the name of the community concerned must lodge such application to the Minister.

(2) The Minister must grant such preferent right if the community can prove that –

(a) The right shall be used to contribute towards the development and the social upliftment of the community concerned.

(b) The community submits a development plan, indicating the manner in which such right is going to be exercised.

(c) The envisaged benefits of the prospecting or mining project will accrue to the community in question; and

(d) The community has access to technical and financial resources to exercise such right.

(3) The preferent right, granted in terms of this section is –

(a) Valid for a period not exceeding five years and can be renewed for further periods not exceeding five years; and

(b) Subject to prescribed terms and conditions.

(4) The preferent right referred to in subsection (1), shall not be granted in respect of areas, where a prospecting right, mining right, mining permit, retention permit, production right, exploration right, technical operation permit or reconnaissance permit has already been granted."

A renewal was granted on 13 February 2021 and the Preference Prospecting Right is valid until 12 February 2024 (Table 2-1).

A number of regulatory steps are required to apply for a Mining Right, should exploration be successful. These include environmental authorisation and the demonstration that the Project can be mined economically and optimally. This is usually demonstrated using a Mining Works Program that is generated off the back of an advanced Mining Study.

2.6 Royalties, Payments, and Other Agreements

The Project is not currently subject to royalties, payments, or other agreements. Should the Project go into production, royalties will be levied in accordance with the Royalty Act.

2.7 Environmental Studies, Permitting and Liabilities

The Competent Person has not reviewed the status of the Project in respect of environmental permitting and existing and potential liabilities. It is relying on the representations made by SPD and their consultants, Minxcon, which are provided below.

An Environmental Impact Assessment was conducted at the Project as part of an Environmental Management Plan submitted as part of the Section 104 Preferent Prospecting Right application. No significant environmental factors which could affect exploration at the Project were identified.

The Project is currently at the exploration stage and no closure liabilities have been calculated for the Project to date. A rehabilitation provision was included in the MUM Preferent Prospecting Right, with rehabilitation expected to occur concurrently with proposed drilling activities. A financial guarantee for exploration-related rehabilitation has been lodged, to the value of ZAR146,448 (approximately A$13,900).

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3 Project History

3.1 Prior Ownership

The information presented below is based entirely on the representations made by SPD and its consultants, Minxcon. The Competent Person has not undertaken an independent review of this information, nor is the Competent Person qualified to do so, and the reader should rely on the legal representations made in the Independent Solicitor's Report provided in the IPO Prospectus.

The indigenous Bengwenyama-ye-Maswazi tribe ("the Tribe") has inhabited several farms in the Limpopo-Mpumalanga region of South Africa for over a century, including the farms Nooitverwacht and Eerste Geluk. The Tribe was dispossessed of Eerste Geluk in 1945. Multiple failed efforts were made by the Tribe to reclaim or purchase Eerste Geluk, culminating in a successful land claim lodged in 1996.

The land has attracted interest from the mining industry for platinum potential. The interest erupted in numerous court cases that have highlighted administrative fairness of the allocation of prospecting rights to a third party in terms of the MPRDA on land owned by a community.

Historically, the farms were held under old order prospecting rights by Anglo Platinum through its wholly owned subsidiary, Rustenburg Platinum Mines Limited, along with a number of other farms as an extension of the Modikwa Platinum Mine in joint venture with Africa Rainbow Minerals. The farms that jointly comprise what is known as Modikwa Deeps included the five farms Hoepakrantz 291 KT, Garatouw 282 KT and De Kom 252 KT in addition to Nooitverwacht and Eerste Geluk. A further three are held by Bauba Platinum and one by the Sekhukhune Community, bringing the total to nine farms.

The Tribe expressed to Anglo Platinum its interest in becoming involved in mineral prospecting and/or mining at Eerste Geluk and Nooitverwacht in 2003 and again in 2005.

Mineral rights were required to be converted into new order rights after 1 May 2004. Multiple interested parties, including the likes of Anglo Platinum, submitted applications for Prospecting Rights at the Project. However, in accordance with Section 104 of the MPRDA, preferent prospecting or mining rights must be granted to a community who wishes to obtain such rights on land registered (or to be registered) in the name of that community if they have lodged a valid application for such rights. An application was prepared for Bengwenyama and its affiliates to obtain a prospecting right for platinum and related minerals over the Properties and this was accepted on 24 July 2006 by the Department of Minerals and Energy as it was called then (DME) later the Department of Mineral Resources (DMR), and now DMRE. MUM then had two shareholders, namely Nurinox (Pty) Ltd (for and behalf of the Tribe) and Atlantic (Advisors).

However, in September 2006, Genorah Resources (Pty) Ltd (Genorah) was awarded a Prospecting Right over an area including the farms Nooitverwacht and Eerste Geluk, by the Department of Minerals and Energy (DME), later the DMR. Despite this, the DME continued exchange about application requirements with the Tribe even though the rights had been awarded to Genorah.

Genorah then entered into an agreement with ASX-listed, Nkwe Platinum Limited (Nkwe). Exploration activities were initiated in early 2007 as part of the Tubatse project. The Tribe and its affiliates obtained a court interdict against Genorah/Nkwe in March 2007 and the activities were halted. Genorah vacated the farms entirely by the end of 2007.

The Prospecting Right that had been awarded to Genorah was contested by the community. An appeal was lodged in February 2007 and in August 2007, the case was taken to the North Gauteng High Court and dismissed in November 2008 on grounds that *"the community had failed to bring the application for review timeously in terms of the provisions of the Promotion of Administrative Justice Act ("PAJA")*"; however, leave to appeal to the Supreme Court of Appeal (SCA) was granted. On 31 March 2010, the appeal was dismissed by the SCA on the same grounds.

Anglo Platinum instituted a review application in 2007 in respect of the farms, withdrawing in February 2008 as per an arrangement with Genorah and others.

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Leave for appeal was applied to the Constitutional Court in 2010 by the community against the SCA decision. In September 2010, the case was heard in the Constitutional Court which found that *"an internal appeal was available to the applicants, that the DMR's failure to deal with the appeal amounted to a conclusion of the appeal process, and that the review application had thus been brought in time"*. Judgement held that exploration activities were conducted without proper consultation with the community, as per MPRDA requirement, and that environmental requirements had not been satisfied, as the Environmental Management Plan for the properties was only approved post-issue (two months later) of the Prospecting Right.

The Court, on 30 November 2010, ruled to set aside the right holding that the Tribe had not been treated as required by the Constitution. The Court also accepted that the Tribe has enjoyed uninterrupted occupation of Nooitverwacht for over a century and that the community are owners of both Eerste Geluk and Nooitverwacht for the purposes of the application of the MPRDA. Leave to appeal was granted to the community and the orders made in the North Gauteng High Court and the SCA set aside. The Prospecting Right granted to Genorah was set aside.

Immediately following this ruling, a new community-supported Section 104 (Preferent Prospecting Right) application through MUM, was submitted to the DMR in respect of the two farms.

In February 2011, the DMR re-awarded a prospecting right over Eerste Geluk to Genorah in joint venture with the Roka Phasha community who claimed to be indigenous to the farm. In respect of Nooitverwacht, the DMR awarded the right jointly to MUM and the "Bengwenyama Community" as represented by imposters in association with Genorah. It was later reaffirmed by specialist studies initiated by MUM that the Tribe was overwhelmingly the majority inhabitant of the farm.

In 2011, MUM entered into agreement with Legacy, a nominee company for Forbes & Manhattan Inc., whereby Legacy would acquire shares in the Project over Nooitverwacht and Eerste Geluk by making payments of expenses incurred through the legal battle to acquire the prospecting rights, as well as funding exploration, prospecting and development of the project should the right be awarded to the Tribe, limited to US$8 million. Ultimately, Legacy only made a contribution of US$1.5 million for which it acquired a 7.86% interest.

The award of the rights was contested by the Tribe in the North Gauteng High Court, which ruled in favour of the Tribe. Nkwe, through Genorah, appealed the ruling of the High Court through the SCA, which was dismissed and the ruling in favour of the Tribe was upheld. Judgement was issued on 26 September 2014 that the Tribe satisfies the definition of a "Community" under the MPRDA and satisfies the requirements of registered landowners of Eerste Geluk through an unopposed land claim. The community is in the process of being registered as the owner of Nooitverwacht. The Court found that the lack of registered title did not influence against the grant of a Preference Prospecting Right.

It was concluded that the Tribe's Tribal Council was in good standing and that it was the authoritative voice of the community. It also held that the Section 104 prospecting right application by MUM as a vehicle was in essence one by the community. The Court ordered the Minister to issue prospecting rights over Nooitverwacht and Eerste Geluk exclusively to MUM.

Genorah subsequently submitted an application for appeal of this judgement to the Constitutional Court. The application was dismissed on the basis that it had no chance of success.

Anglo Platinum submitted an interlocutory application against the DMR, MUM, Genorah, Nkwe and others in November 2014 in order to gain an interdict preventing the acceptance and/or granting of further applications by the DMR over Nooitverwacht and Eerste Geluk amongst others so that it could pursue the mineral rights to the properties. The interdict suggested that Anglo Platinum was unaware of the Court rulings and developments regarding Nooitverwacht and Eerste Geluk. MUM retaliated with proof that it had issued a legal letter to Anglo Platinum in September 2011 informing it of the Court's judgement, as well as indicating that MUM was instituting action against Genorah and the DMR and suggested an exchange of papers. The application was subsequently withdrawn by Anglo Platinum in early February 2015 with tendered costs.

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The years of legal proceedings culminated in the Preferent Prospecting Right (number LP30/5/1/1002PPR) being granted to MUM on 3 June 2015 and registered on 14 September 2017; for the farms Eerste Geluk 327 KT (previously Eerste Geluk 322 KT) and Nooitverwacht 324 KT, as outlined in Section 2.5.

3.2 Historical Exploration

Historical drillhole data obtained from the Council of Geoscience indicates that drilling was undertaken by Rustenburg Platinum Mines from about 1966 to 1985. Incomplete records of four drillholes are available and no reliance has been placed on these due to the incompleteness of the data.

Trojan Exploration also completed some exploration on Eerste Geluk during the period 1990–1993 (Scoon et al., 1995). This exploration focused on the chromite potential at Eerste Geluk.

Nooitverwacht and Eerste Geluk were explored by Nkwe as part of its Tubatse project. Drilling was undertaken in the mid-2000s by Nkwe. Based on information reported in the public domain, Nkwe drilled 30 holes on these farms (Figure 3-1). The Nkwe exploration work is discussed in more detail in Section 6.

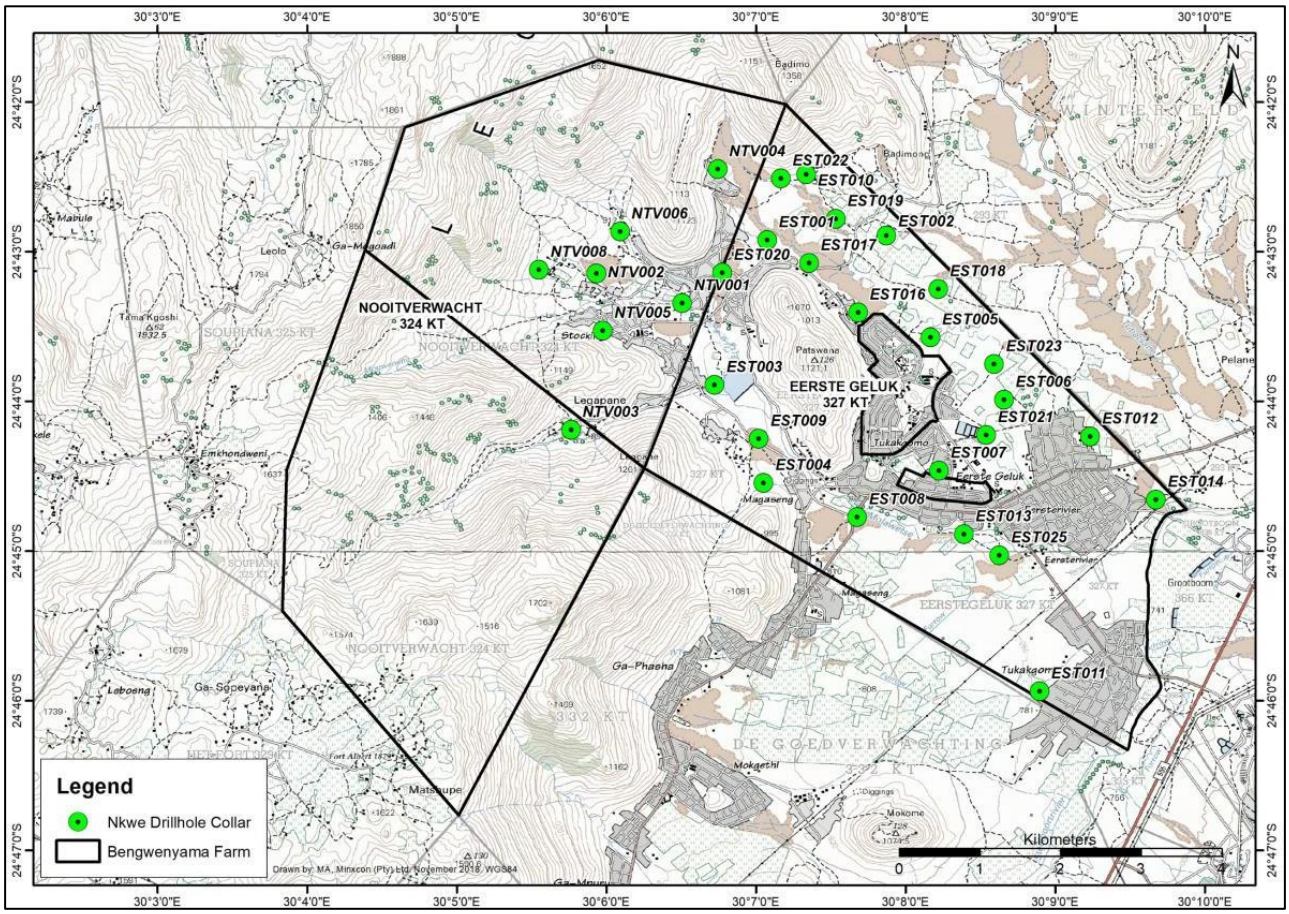

Figure 3-1: Nkwe drillhole collars, Nooitverwacht and Eerste Geluk
Source: Minxcon (2019)

3.3 Historical Mineral Resources and Ore Reserves

Nkwe disclosed a MRE (in accordance with JORC (2004)) for the Project in July 2008 (Table 3-1). This Mineral Resource is superseded by the MRE presented in this report and accordingly no reliance is placed on the 2008 estimate, nor have the Competent Persons undertaken a review of the MRE. However, Mr Nico Denner, Competent Person for the 2008 Mineral Resource, has been contacted and has confirmed that the data were acquired and verified by recognised industry practices. The disclosure of the 2008 estimate is accessible via the ASX platform at https://www.asx.com.au/asxpdf/20080704/pdf/31b0q41kbvh4xd.pdf. No historical Ore Reserves were declared.

Table 3-1: Nkwe 2008 Inferred Mineral Resource

Reef	Tonnage (Mt)	Channel width* (m)	3PGE+Au grade (g/t)	3PGE+Au content (Moz)
Merensky	54.49	1.22	5.03	7.75
UG2	48.09	0.68	8.17	12.62

*Note: *The widths on Eerste Geluk and Nooitverwacht, are based on geological considerations and are not potential mining cuts. Geological losses applied to tonnages were 10% for the Merensky and 17% for the UG2.*

Figure 3-2 illustrates the Nkwe Inferred Mineral Resource area.

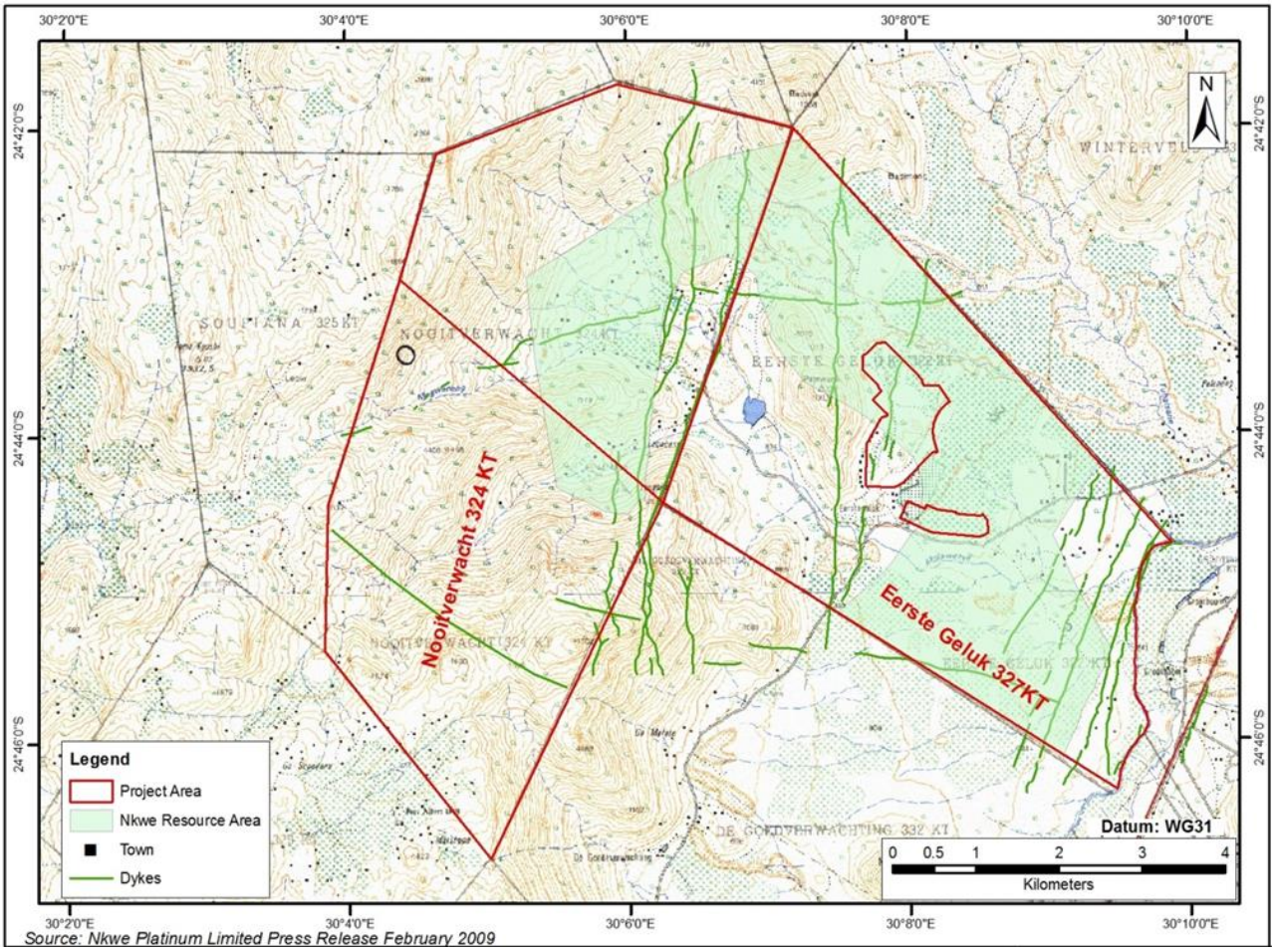

Figure 3-2: Nkwe 2008 Inferred Mineral Resource area

3.4 Historical Production

According to literature, there is an old platinum mine on the Eerste Geluk farm dating to the early 1920s which exploited the Merensky Reef. However, no production figures are available for the mine. No recent production has occurred to date.

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4 Geology and Mineralisation

4.1 Regional Geology

Target PGM mineralisation at the Project is associated with the Bushveld Complex, which is the world's largest repository of PGMs in addition to chromitite and vanadiferous titanomagnetite. It is the largest known intrusive complex in the world, with a preserved areal extent of 66,000 km^2, and was emplaced into the Kaapvaal Craton at 2.06 Ga.

The Bushveld Complex comprises three major constituents – the basal Rustenburg Layered Suite (RLS), the overlying Lebowa Granite Suite (LGS) and a sequence of felsic extrusive rocks termed the Rooiberg Suite. The overall morphology of the RLS is sill-like (Clarke et al., 2009) with the slightly younger LGS overlying and intruding the RLS. The Bushveld Complex, and the RLS specifically, outcrops in a series of limbs which are generally assumed to be connected at depth. In the Far Western, Western, Eastern and Southeastern lobes/limbs, the metasedimentary and metavolcanic Transvaal Supergroup forms the floor to the RLS, whereas in the Northern Limb the Bushveld transgresses into the Archaean granites northwards (Figure 4-1). Majority of the Southeastern Limb is not exposed as it is obscured by younger cover sequences and is known largely from drillhole intersections. The Eastern, Western and Southeastern limbs dip centripetally towards the middle of the intrusion, so in its current preserved form the RLS has a broadly lopolithic shape. This lopolith is considered by most workers (see Clarke et al., 2009) to have resulted from subsidence associated with the emplacement of the vast amount of dense mafic-ultramafic magmas into the crust.

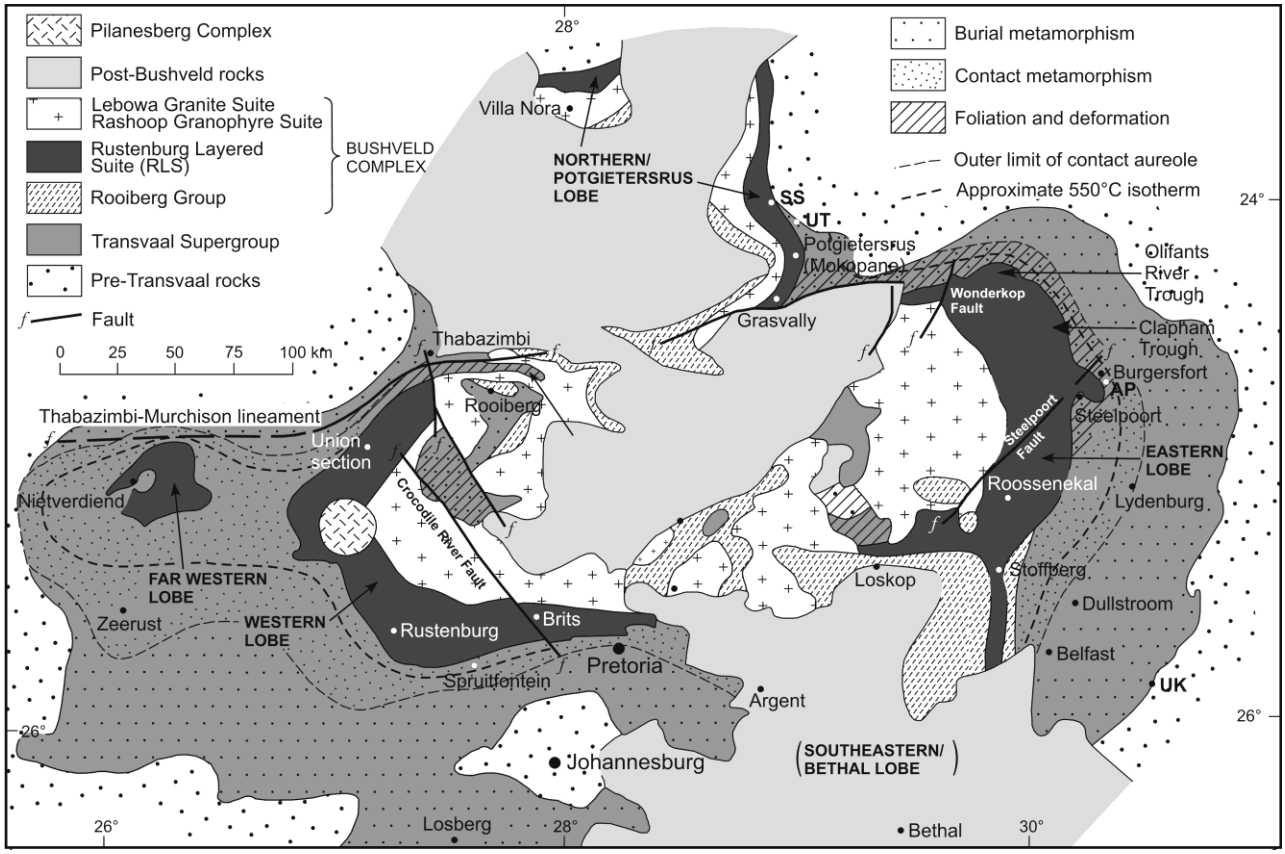

Figure 4-1: Simplified geological map of the Bushveld Complex (north is to the top of the page)
Source: Clarke et al., (2009)

The estimated true thickness of the RLS ranges from 7 km to 12 km and it exhibits a gently discordant or transgressive contact relationship with the underlying Transvaal Supergroup rocks which were deposited in the late Archaean to Palaeoproterozoic (c. 2.5–2.06 Ga). The uppermost parts of the Transvaal Supergroup

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comprise a series of mafic, felsic and intermediate volcanic rocks (the Dullstroom volcanics) which are now generally considered to be genetically related to the Bushveld Complex.

The emplacement of the Bushveld Complex commenced with the emplacement of the RLS which comprises a series of mafic and ultramafic rocks. These rocks are characterised by their remarkably consistent layering which can be traced over several hundred kilometres of strike. This includes economically important layers, such as the Merensky Reef and UG2, which are traceable and present throughout the RLS.

Post-Bushveld cover sequences include the Waterberg Group (2.0–1.8 Ga) which was deposited into the basin formed above the subsiding Bushveld Complex and the much younger Karoo Supergroup, which was deposited between the late Carboniferous and early Jurassic, although the vast majority is Permo-Triassic.

4.1.1 Stratigraphy of the Rustenburg Layered Suite

The RLS is subdivided into five zones, described from bottom to top, below.

- The basal **Marginal Zone** comprises a heterolithic succession of generally unlayered mafic rocks dominated by norites. These rocks contain quartz and hornblende believed to be a result of contamination of the mafic magmas by the enclosing host rocks and are additionally characterised by numerous xenoliths of quartzite, calc-silicate, and volcanic rocks. The Marginal Zone ranges in thickness from several metres to several hundred metres, and field exposures of this zone are generally poor.
- The **Lower Zone** comprises ultramafic rocks. The most complete exposure is in the north-eastern part of the Eastern Limb of the RLS. In this area, the Lower Zone occurs as a series of dunite-harzburgite cyclically layered units. The unit varies in thickness, having a trough-like geometry with the thinnest succession developed over structural highs in the basin floor and thicker accumulations in structural basins adjacent to the floor highs.
- The **Critical Zone** is subdivided into the **Lower Critical Zone** and the **Upper Critical Zone** and is made up of cyclic units consisting of chromitite, pyroxenite, norite, and anorthosite. Cycles in the Lower Critical Zone are entirely ultramafic in character and are dominated by pyroxenite with interlayered harzburgite and chromitite layers. The Upper Critical Zone represents a mixed mafic-ultramafic cyclic unit comprising layered pyroxenites, norites, anorthosites and chromitites. The base of the Upper Critical Zone is marked by the appearance of cumulus plagioclase. The igneous layering within the Critical Zone is remarkably uniform over much of the RLS and occurs on a variety of scales, with individual layers traceable for tens to hundreds of kilometres.

  Chromitite layers occur throughout the Critical Zone, usually at the base of crystallisation cycles. The chromitite layers have been classified into lower, middle and upper groups, with the lower group occurring in the pyroxenitic Lower Critical Zone, the upper group in the anorthositic Upper Critical Zone and the middle group straddling the boundary between lower and upper divisions. The layers are identified according to their location within the layered succession, with numbers commencing from the bottom up. The lowermost group is known as the LG1 (Lower Group 1), followed by LG2, LG3 to LG7. This sequence progresses upwards from the MG1 (Middle Group 1) through to the MG4 and, finally, to the UG1 (Upper Group 1), UG2, and UG3. The thickness of these chromitite layers ranges from several millimetres to several metres. The chromitite layers may comprise multiple layers of chromitite separated by intercalated silicate rocks. The thickest chromitite layers, specifically the LG6 and MG1, are mined for their chromite content.

  All the chromitite layers in the Bushveld Complex contain anomalous concentrations of PGMs, with a general increase in PGM content upward in the sequence, with the UG2 currently one of two reefs of commercial interest for its PGE content. The other main PGE layer, the Merensky Reef, occurs above the UG chromitites, close to the top of the Upper Critical Zone. The distance between the UG2 and the Merensky Reef is variable across the Bushveld Complex and in the Eastern Limb it can attain stratigraphic distance of between 170 m and 400 m. The top of the Critical Zone is characterised by the Giant Mottled Anorthosite, a robust anorthosite.

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- The **Main Zone** is the thickest unit within the RLS. In general, approximately half the RLS stratigraphic interval is occupied by this zone. The Main Zone consists of gabbronorites with some anorthosite and pyroxenite layers. The Pyroxenite Marker is located approximately in the top third of the zone. Layering is not as well developed as in the Critical Zone and Lower Zone.
- The **Upper Zone** is dominated by gabbros. However, layered anorthosite and magnetite sequences are also present. There is no chilled contact with the roof rocks, which comprise rhyolites and granophyres. The base of the Upper Zone is typically taken as the first appearance of cumulus magnetite above the Pyroxenite Marker.

The general stratigraphy of the RLS is shown in Figure 4-2, and a map of the Eastern Limb of the Bushveld Complex is shown in Figure 4-3.

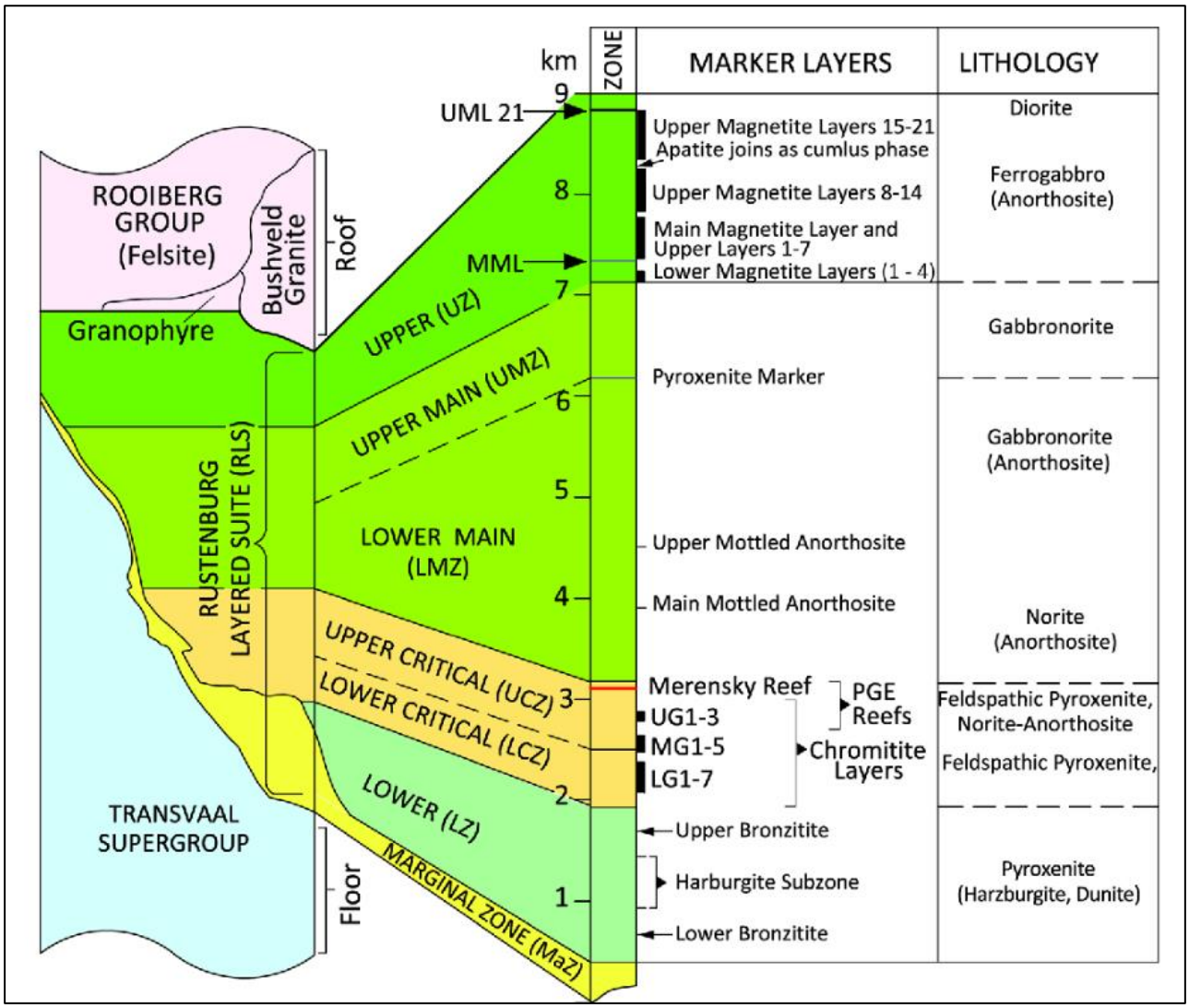

Figure 4-2: Simplified stratigraphy of the RLS
Source: Scoon and Viljoen (2019)

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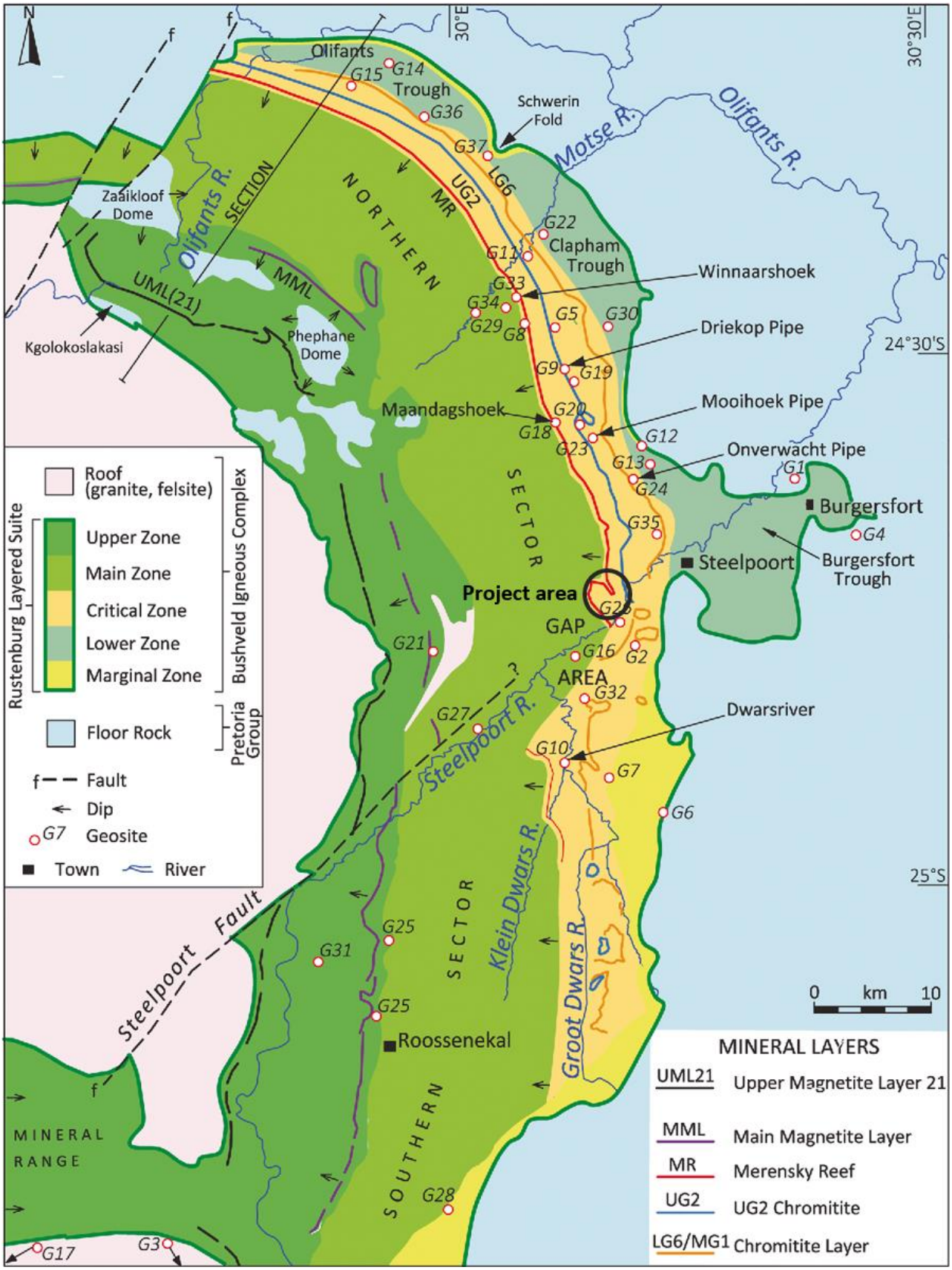

Figure 4-3: Generalised map of the Eastern Limb (section line in the north not of relevance to this report)
Source: Modified from Scoon and Viljoen (2019)

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4.1.2 Structure

The contact aureole of the Eastern Limb is characterised by local strongly deformed domal structures that penetrated upwards into the RLS during its emplacement and resulted in localised "ponding" of the Lower Zone and Critical Zone stratigraphy and deformation of the entire RLS sequence in proximity to some of the domes. The area to the east of the Project area is termed the Burgersfort "bulge"; this area is characterised by an apparent downward transgression of the RLS into the Pretoria Group rocks underneath. The "bulge" is a trough-like body bordered to the north by the Derde Gelid Pericline and to the south by the Steelpoort Pericline and was considered by Clarke et al. (2005) to represent a syn-Lower Zone offshoot into the floor rocks. Both periclines represent updomed Transvaal Supergroup floor units. The origin of the domes is most commonly attributed to diapirism, whereby the heated and plasticised floor rocks penetrated the overlying dense and partially crystallised mafic magmas (Uken and Watkeys, 1997; Clarke et al., 2005). The alternative interpretation, interference folding during the emplacement of the RLS (e.g. Sharpe and Chadwick, 1982), is generally considered less viable because of strain/deformation gradients that diminish away from the domal structures.

The diapiric model relies on the amplification and gravitational instability of initial floor highs (Gerya et al., 2003); these are considered by Uken and Watkeys (1997) and Clarke et al. (2005, 2009) to have been presented in the RLS footwall due to the initial fingered intrusion of the early phases of the RLS. Evidence of this fingered intrusion is preserved, at a local scale, by the ultramafic rocks of the Burgersfort Bulge (Clarke et al., 2009) and the Spruitfontein inlier in the Western Limb of the Bushveld Complex (Clarke et al., 2000). The amplification of these floor highs into domal structures of varying maturity, resulted in both the attenuation of Lower Zone and Critical Zone sequences above and adjacent to the domes as well as deformation (folding and shearing) of layers within the Lower Zone and Critical Zone sequences. Adjacent to the Steelpoort pericline, this deformation is manifest as open folds in the Lower Zone on the east of the pericline and higher strain sheath folds in the Marginal Zone and Critical Zone on the southwest margin of the pericline (Figure 4-4). The sheath folds are interpreted as having formed during the shedding of partially crystallised mafic material off the pericline during diapiric ascent (Clarke et al., 2005). More mature (i.e. mushroom-shaped) domes are found further north in the Eastern Limb; these more mature domes have penetrated higher into the RLS sequence with open folding of magnetite layers in the Upper Zone noted around the Malope Dome, located north of the Project area.

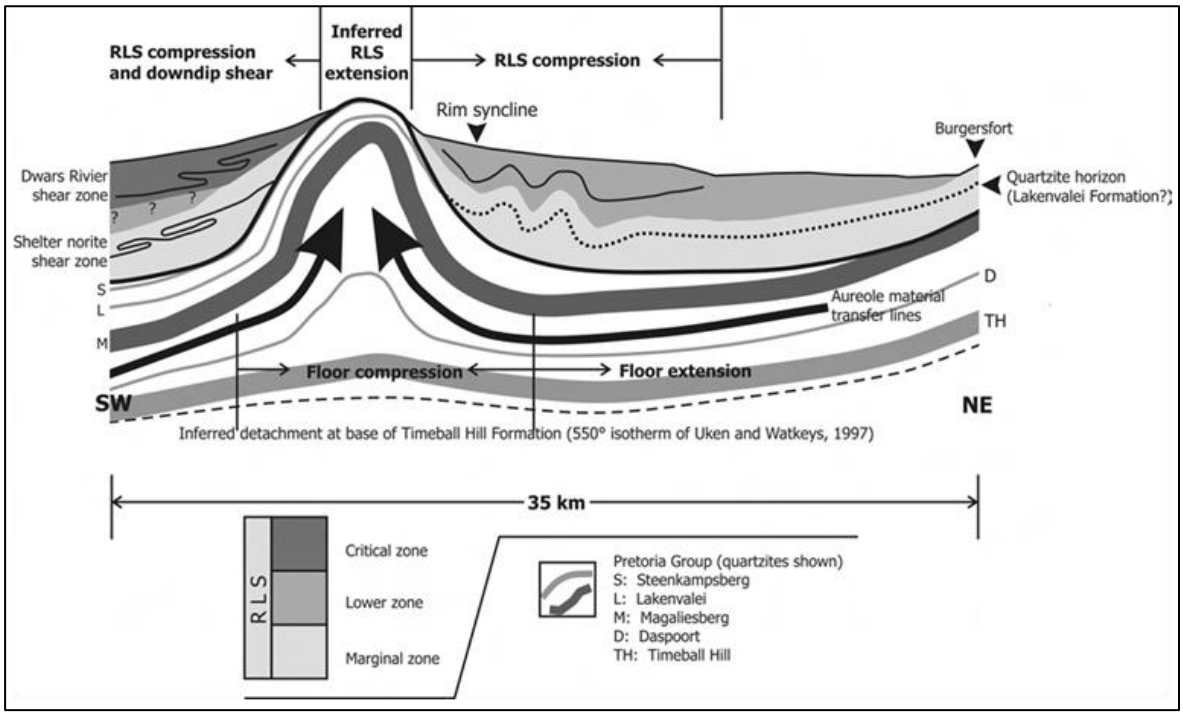

Figure 4-4: Relationship between deformation in the RLS and the floor domes
Source: Clarke et al. (2005)

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4.2 Local Geology

The Eastern Limb is subdivided from north to south into the northern and southern geographical sectors. A major linear feature, named the Steelpoort Fault Zone separates the northern from the southern sector. Each sector has distinct stratigraphic and structural characteristics which impact on the economics of the various mining activities that are carried out in the region. The Project area is located at the boundary between the northern and southern sectors, on the northern sector side (Figure 4-3).

In the area north of the town of Steelpoort, the RLS was emplaced immediately above the Magaliesberg Formation of the Pretoria Group (Transvaal Supergroup) but to the south the RLS is in contact with progressively younger rocks of the Transvaal Supergroup in comparison to north of Steelpoort.

The Project is located in a geological and structurally complex area of the Eastern Limb. The bulk of the Project is underlain by the Main Zone with rocks of the Critical Zone and Lower Zone found to the east. The RLS dips at 10–20° to the west.

The Project area is located west of the Burgersfort "bulge" and the Steelpoort pericline. Scoon and Teigler (1995) documented facies variations in the LG-chromitites as well as a broad domal structure in the RLS layering, on Eerste Geluk. These are attributed to the proximity of the Steelpoort pericline. The dome axis lies to the east of the Mineral Resource area and has little impact on the dip of either the Merensky Reef or the UG2 in the Mineral Resource area of the Project.

The farm De Goedeverwachting, located southwest of Eerste Geluk, is characterised by a split-reef facies of the UG2, with upper and lower chromitites separated by a variably thick (typically less than 2 m) pyroxenite parting. This is not observed at the Project.

The area is, however, characterised by potholing of both the Merensky Reef and the UG2. Potholes represent areas where local changes in the strike and dip of the mineralised units occur and the chromitite units form depressions, and cut into the footwall stratigraphy. The Merensky Reef, UG2 and chromitite units may be poorly developed, thin, or locally missing. The typical depth to width ratio of potholes in this region of the RLS is 1:2 (Minxcon, 2019). Pothole distribution, depth and lateral extent tends to be erratic, and the Merensky Reef and UG2 potholes are usually independent of each other. A schematic representation of a UG2 pothole is provided in Figure 4-5.

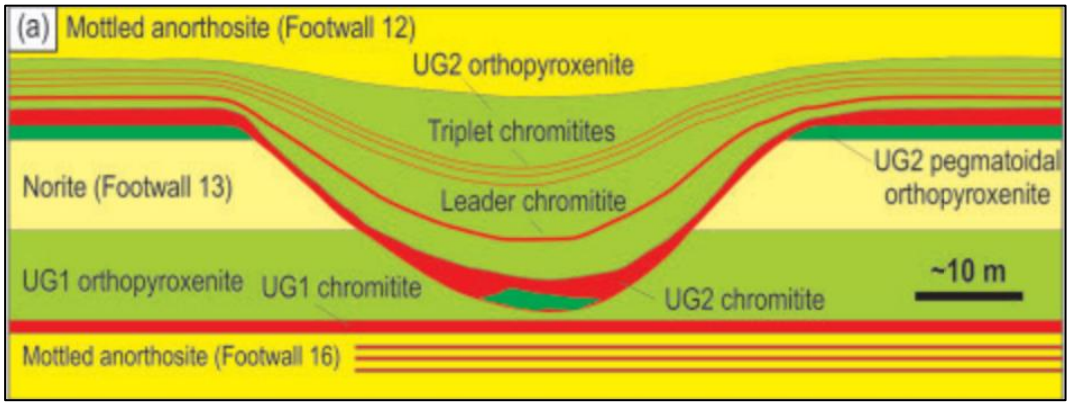

Figure 4-5: Schematic representation of a UG2 pothole
Source: Latypov et al. (2017)

According to Scoon et al. (2017) (Figure 4-6), the northward extension of the Steelpoort Fault is projected to pass through Eerste Geluk. Recent modelling by Minxcon has confirmed a series of faults (upthrown to the west) towards the western margin of Eerste Geluk, thus supporting this view. It is likely that fault splays related to the Steelpoort Fault are responsible for this fault pattern. More drilling and geophysical surveys are required to confirm the structure in this area.

Iron-rich ultramafic pegmatites (IRUPs) are a common feature of the RLS and comprise discordant iron-titanium oxides (principally magnetite and ilmenite) in generally pyroxenitic matrices. The IRUPs generally replace the country rock into which they were emplaced and are noted to frequently result in local

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destruction of the Merensky Reef and UG2. These IRUPs are noted throughout the Steelpoort Valley, including on mines adjacent to the Project, but have not been recognised yet at the Project (refer Figure 4-6).

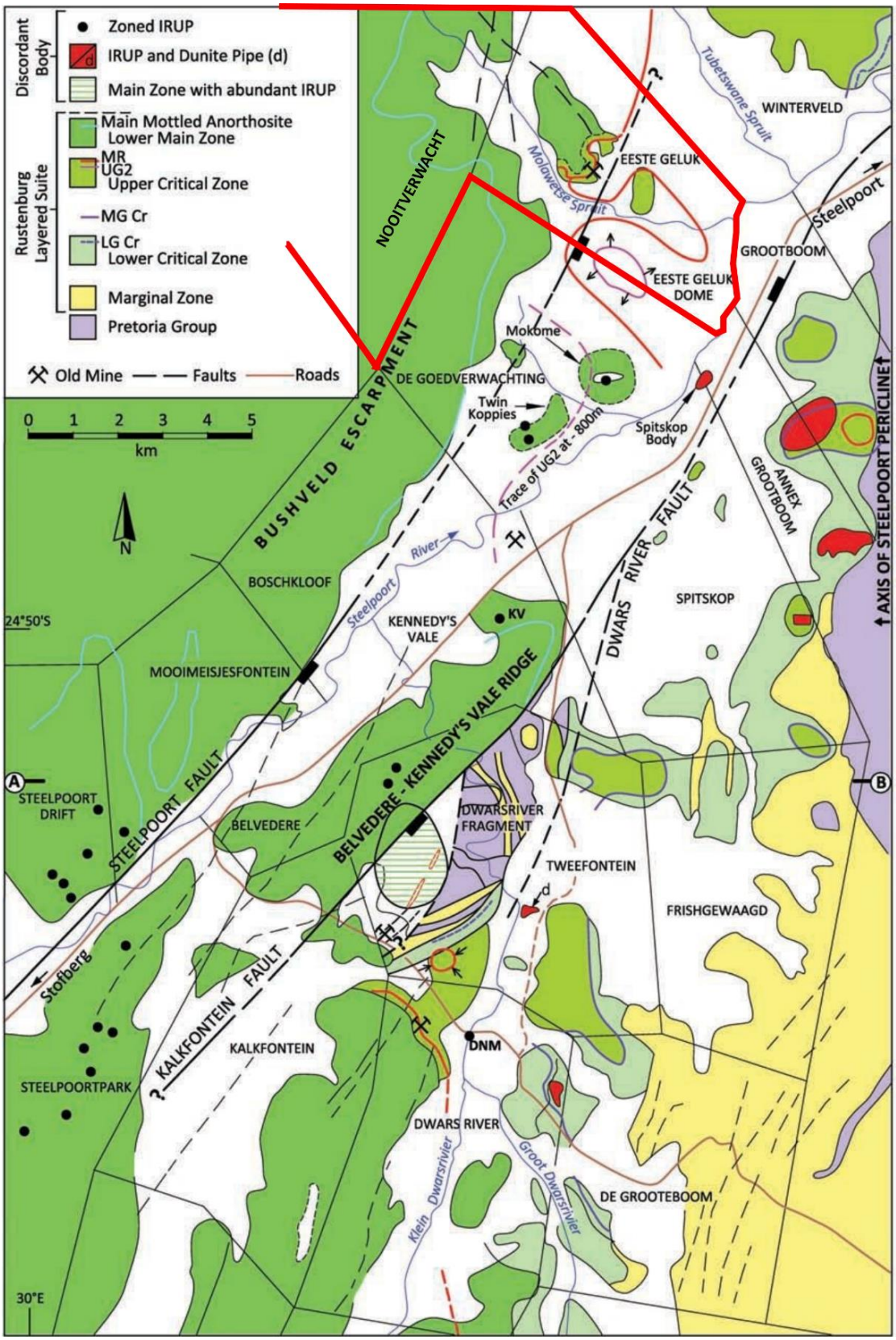

Figure 4-6: Geological map of the Steelpoort Valley, showing Project location (red outline) and structure in relation to the Steelpoort pericline and the revised position of the Steelpoort Fault
Source: Modified from Scoon et al. (2017)

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The old mine on Eerste Geluk shown in Figure 4-6 dates to the early 1920s and exploited the shallow Merensky Reef in that area. No production figures are available for this mine.

Numerous dolerite dykes intrude the Project area and surrounding operations. The most prominent dykes trend north-northeast to south-southwest (30–45°) and are generally subvertical. Faults in this orientation are common and interpreted (Minxcon, 2019) to predate the dykes, with the dykes utilising the faults as preferential emplacement pathways. Less prominent dyke orientations are oriented west-northwest to east-southeast and northwest to southeast and are considered younger than the main dyke orientation.

4.2.1 Mineralisation

The UG2 occurs as either a pure chromitite or a cumulate framework of chromite with interstitial plagioclase and/or orthopyroxene. The bulk of the PGE mineralisation associated with the UG2 is hosted within the main chromitite layer as disseminated sulphides attached to the chromite grains. Typically, the sulphides form embayments in the chromite grains, or at triple junctions. Less commonly, the sulphides may be occluded within the chromite grains. Typical sulphides which host the PGE are pyrrhotite, pentlandite and chalcopyrite. The UG2 in this area of the RLS is characterised by a platinum and palladium telluride assemblage and platinum-rhodium-cobalt-copper sulphide assemblage. The PGE grades are typically elevated at the top and basal contacts of the chromitite seam. The disseminated mineralisation may extend into the footwall units and is typically related to disseminated chromite and chromitite stringers.

The Merensky Reef is a pyroxenitic unit characterised by enclosing chromitite stingers. The economic portion of the Merensky Reef is typically demarcated by the chromitite stringers. The PGE mineralisation of the Merensky Reef is typically associated with base metal sulphides and silicates. The base metal sulphides occur interstitially with plagioclase feldspar within cumulate orthopyroxene. The PGE mineralisation typically occurs in combination with sulphides, sulpharsenides, arsenides, tellurides, and alloys.

4.3 Project Geology

4.3.1 Overview

At the Project, the RLS dips gently to the west, noting the domal feature described by Scoon and Teigler (1995). On the adjacent farm, De Goedeverwachting, the strike of the Critical Zone swings from generally north-south to west-northwest-east-southeast; this may be due to faulting-related effects or folding associated with the Steelpoort pericline.

Based on publicly available information, the Project area is bisected (close to the Nooitverwacht and Eerste Geluk Farm boundaries) by a series of parallel north-northeast to south-southwest faults and dykes, which displace the Merensky and UG2 reefs up to the west. A number of sub-parallel west-northwest to east-southeast faults and dykes have also been interpreted. The Merensky Reef and UG2 outcrop to the north of the farm Nooitverwacht on the mining lease of the Modikwa Platinum mine, located north of the Project. The Merensky Reef is interpreted to outcrop on Eerste Geluk. The geological model, created by Minxcon (2019) is shown in Figure 4-7.

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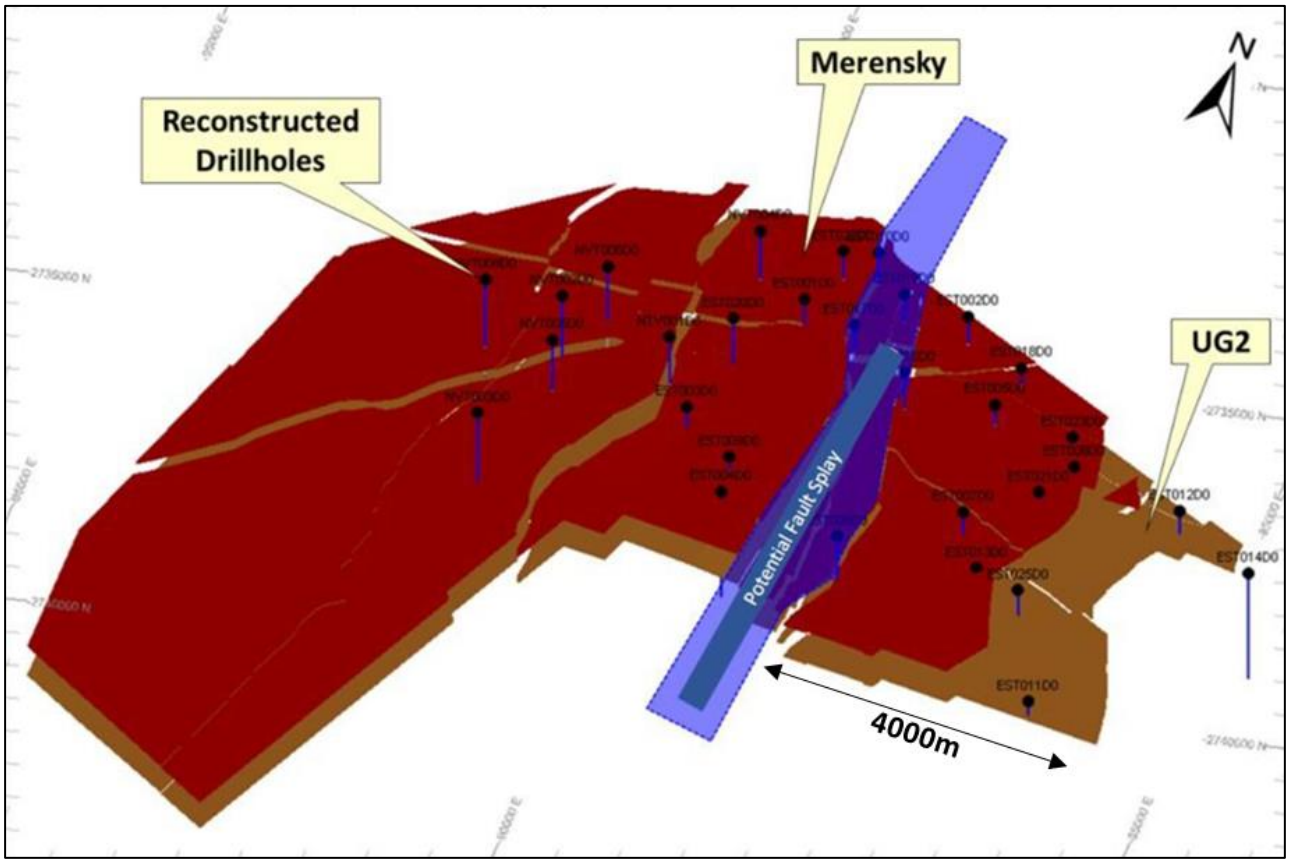

Figure 4-7: Oblique view of the modelled Merensky and UG2 reefs at the Project
Source: Minxcon (2019)

Publicly available drillhole information for the UG2 and Merensky Reef provide confirmed down-dip continuity to greater than 920 m and 650 m below surface, respectively (Figure 4-8).

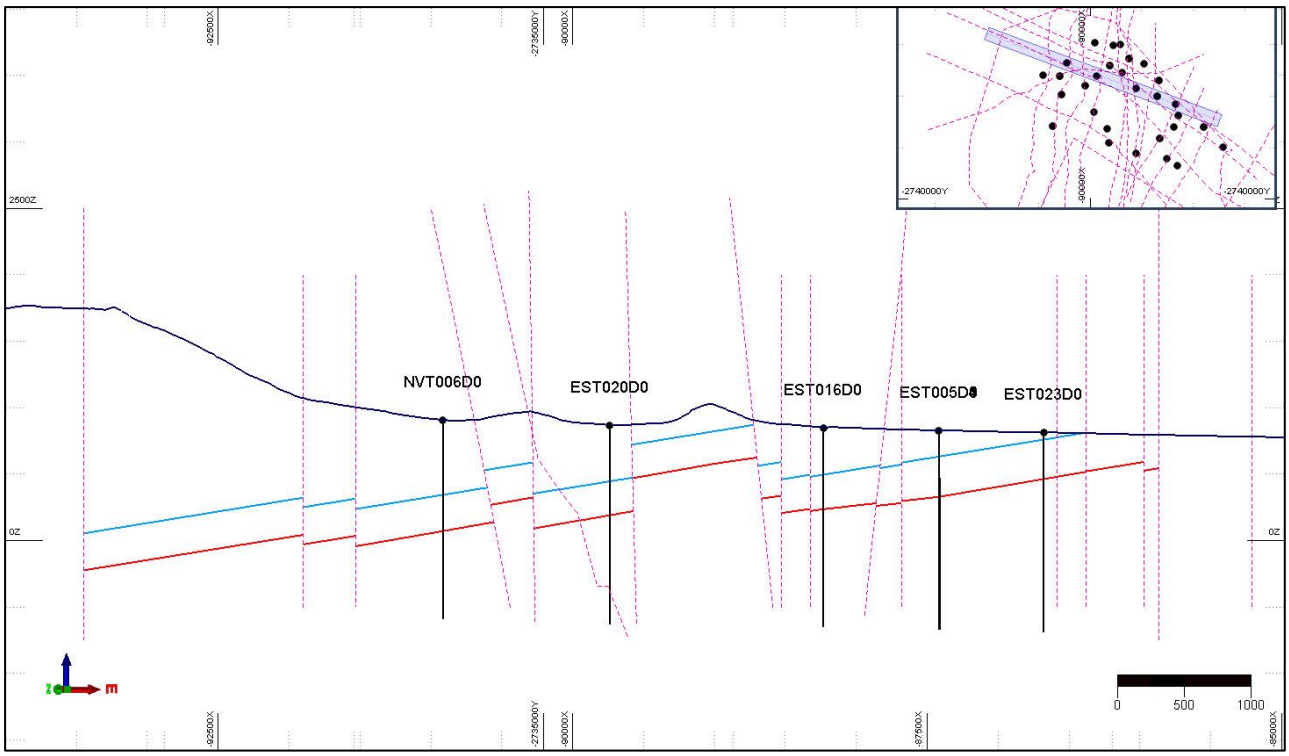

Figure 4-8: Oblique cross-section looking west showing drill continuity of Merensky (blue) and UG2 (red) reefs

Figure 4-9 and Figure 4-10 illustrate the depth contours below datum (780 m above mean sea level) for the UG2 and MR respectively. These figures show the predominantly north-northeast to south-southwest faults and dykes run from the Modikwa Project through the Eerste Geluk farm into the Kennedy's Vale Project. These two major features have been confirmed by the recently flown (January 2022) Helicopter Airborne magnetic survey. The data interpretation is in progress and should be finalised in March 2022.

This interpretation could change with the planned phase 1 drilling program and incorporate the Eerste Geluk domal structure that possibly exists between Eerste Geluk and Kennedy's Vale which would have an impact on the strike and dip of the UG2 and Merensky Reef. This could, however, push the reefs to more shallow depths.

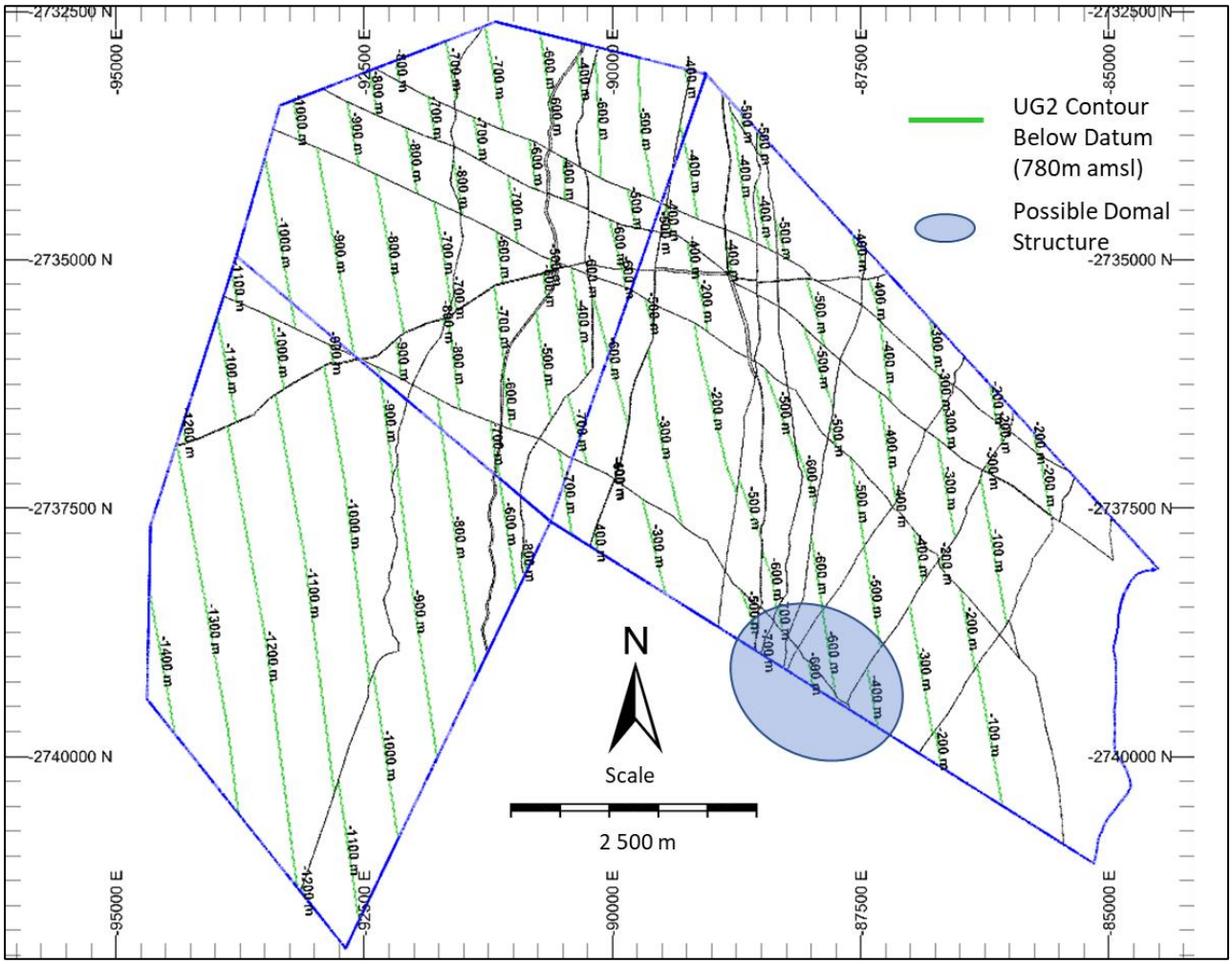

Figure 4-9: UG2 depth contours below datum

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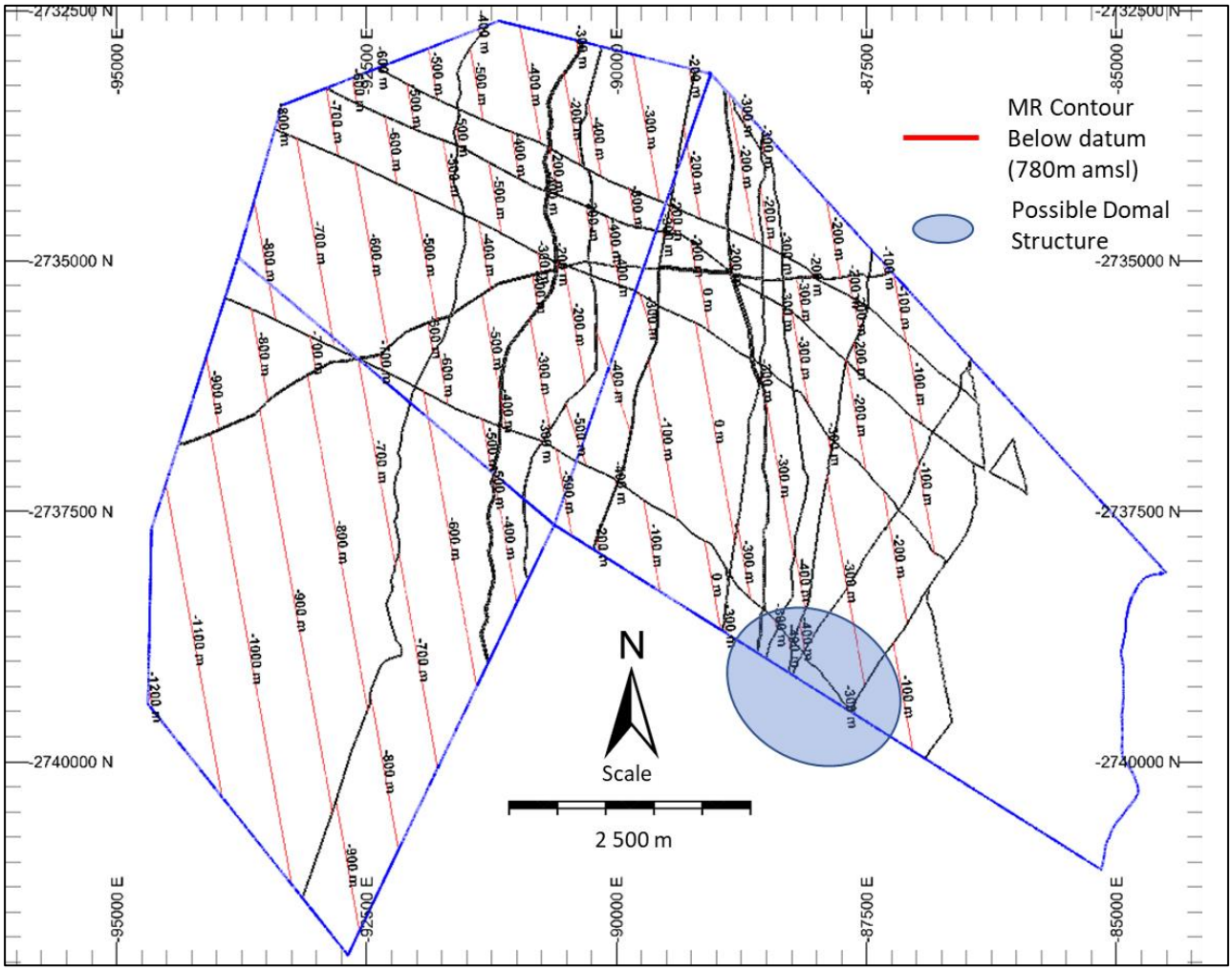

Figure 4-10: Merensky Reef depth contours below datum

4.3.2 Stratigraphy

The description of the local stratigraphy is based on Minxcon's (2019) account which in turn was generated from an assessment of available public domain information. The Competent Person for this section takes ownership of the information being presented here and considers it to be a realistic representation of the project stratigraphy, based on his experience in the area.

The UG2 and the Merensky reefs occur within the Upper Critical Zone and are the reefs of interest at the Project. The UG2 is the reef most commonly mined in this part of the RLS. The stratigraphic distance between the UG2 and the overlying Merensky Reef varies between 240 m and 400 m. The UG2 is a robust chromitite (0.2–1.2 m thick), locally thin lenses of pyroxenite to leuconorite occur within the chromitite seam. The footwall to the UG2 is typically a pegmatoidal feldspathic pyroxenite which may contain a layer of disseminated base metal sulphides. Chromite is typically absent from the footwall pegmatoidal pyroxenite. The PGE grades for the footwall are typically low and variable. The pegmatoidal pyroxenite is typically underlain by a poikilitic pyroxenite. The hangingwall lithology to the UG2 is predominantly a feldspathic pyroxenite that is 3–5 m thick. Between one and six thin chromitite layers ("stringers") can be present in the hangingwall. These stringers vary in thickness between 1 cm and 11 cm. The stringers are typically overlain by a marker horizon comprising a thin anorthositic unit, typically less than 5 cm thick.

The Merensky Reef forms part of a cyclic sequence comprising pyroxenite to pegmatoidal pyroxenite at the base, termed the Merensky Reef pyroxenite, overlain by a thin chromitite seam forming the base of the economic unit of the Merensky Reef cyclic unit. The chromitite seam is overlain by pyroxenite to pegmatoidal pyroxenite and a top chromitite seam. Both chromitite seams are typically thin, less than 2 cm in thickness. The two chromitite seams and the intervening mineralised pyroxenite unit are termed the Merensky Reef

and form the main PGE mineralised unit. The thickness of the mineralised Merensky Reef varies between 0.2 m and over 2.7 m, with a single reported intersection of over 5 m in thickness. The top and basal chromitite seams can be variably developed, but in general at least one of the two chromitite seams is always developed. The hangingwall to the Merensky Reef comprises pyroxenite which grades into norite. The norite indicates the top of the Merensky Reef pyroxenite. The norite grades into an anorthosite which is overlain by a pyroxenite. This pyroxenitic unit is typically referred to as the Bastard Pyroxenite, which is sporadically mineralised. The hangingwall to the Bastard Pyroxenite is represented by a poikilitic pyroxene anorthosite which is commonly referred to as the Giant Poikilitic Anorthosite. This unit typically forms the top of the Critical Zone.

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5 Deposit Type

The Bushveld Complex is a layered igneous intrusion, which are globally the most important source of PGEs. PGE mineralisation in layered intrusions is attributed to sulphide immiscibility in the magma triggered by either chemical (i.e. magma mixing/contamination) or physical changes in the magma chamber. These changes result in changes to the stability fields of the metal-enriched phases and the precipitation of the target mineralisation.

The primary PGE deposit types within the Bushveld Complex are the stratiform layers (reefs) that occur within the Upper Critical Zone. These include the Merensky Reef and UG2 and these are characterised by significant lateral geological and grade continuity, with the exception of local disruptive features such as potholes, IRUP, dykes and faults. A subordinate, but increasingly important deposit type is those formed at the contact of the RLS with the floor rocks. This includes the economically important Platreef in the Northern Limb as well as contact-style mineralisation reported from several satellite intrusives into the floor rocks (e.g. the Uitkomst Complex).

5.1 Mining and Exploration Projects in the Eastern Bushveld Complex

A map of PGM exploration and mining projects in the Eastern Limb of the RLS is provided in Figure 5-1 with the Project depicted in red.

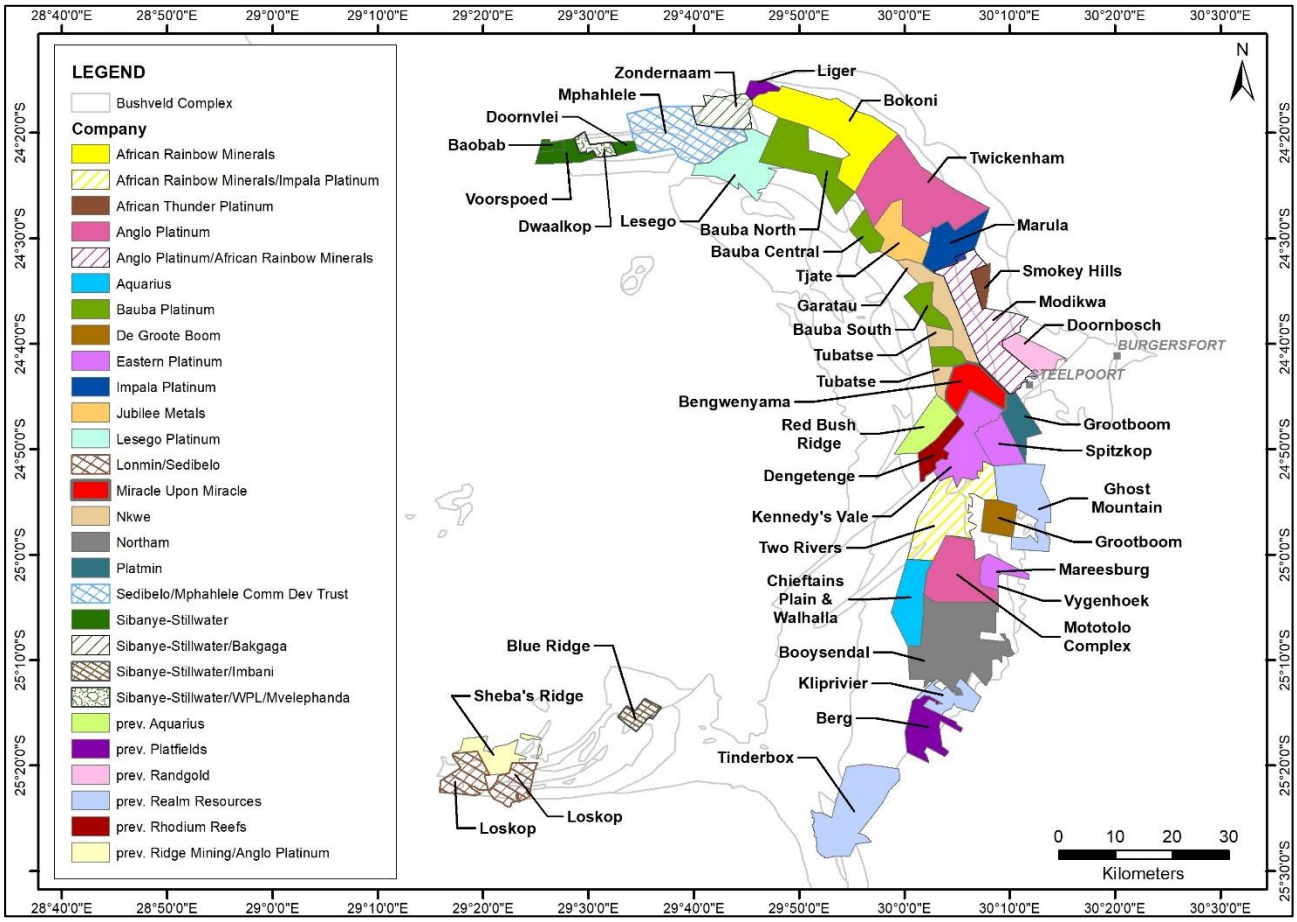


Figure 5-1: PGM mining and exploration projects, Eastern Limb
Source: Minxcon (2019)

Anglo Platinum's Modikwa Mine is an operational underground mine which is situated adjacent to the Project area and exploits the UG2. The RLS strikes north-northwest and dips at an average of 10° to the west, but

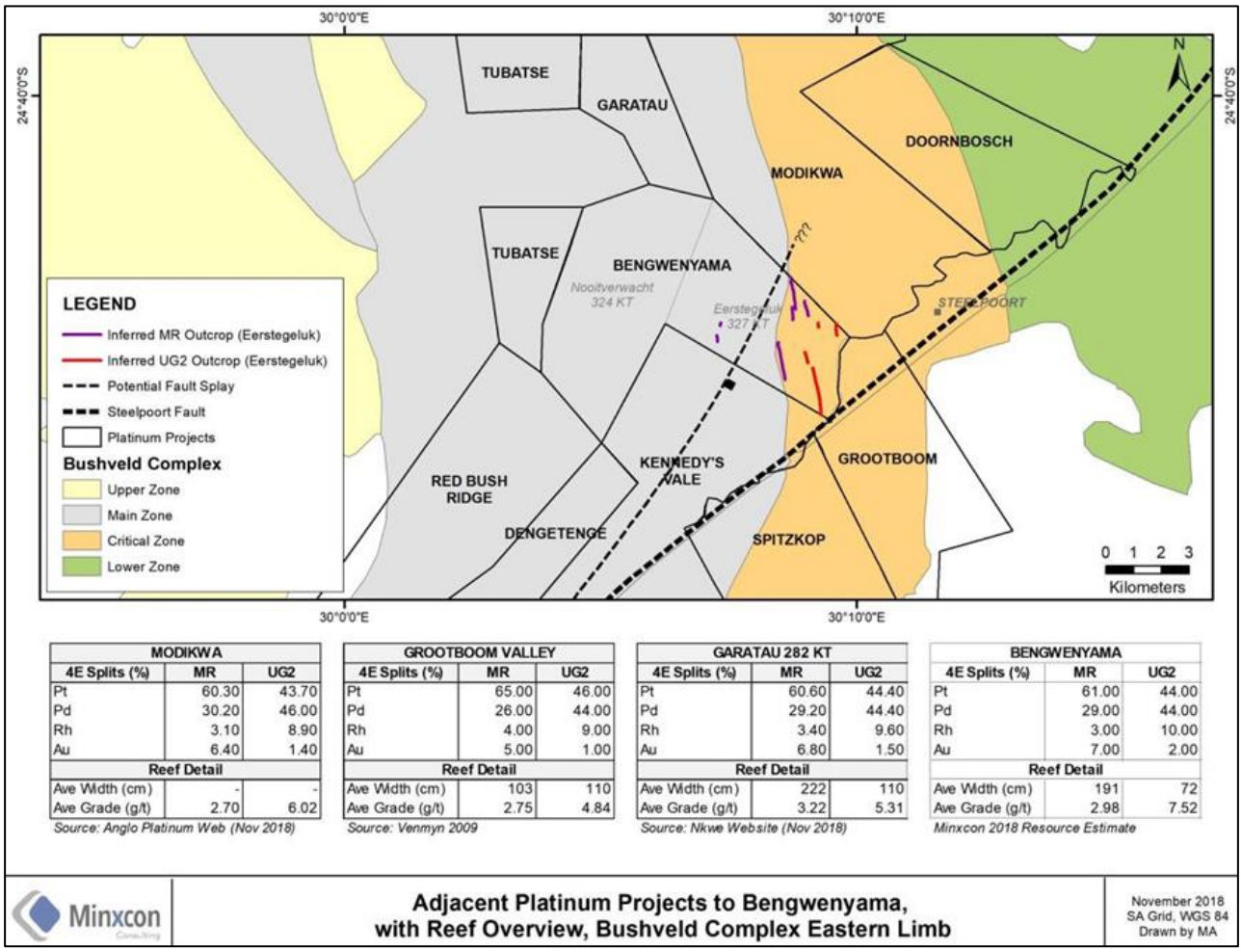
steeper areas are present. Modikwa currently mines the UG2 to depths of 50–200 m below surface. Exploration has been conducted on the Merensky Reef. Underground operations commenced in 2002.

Nkwe Platinum's Garatau project, north of the Project, is a deep PGE project, with the Merensky Reef and UG2 dipping on average 9° to the west. The Merensky Reef is present at depths of 280–1,500 m below surface, with the UG2 Reef located at 290–370 m below the Merensky Reef. A bankable feasibility study was completed in 2012 and the project is a proposed mechanised bord and pillar underground operation targeting the UG2 (https://www.asx.com.au/asxpdf/20120612/pdf/426sjfkywvnkzd.pdf).

Nkwe delisted from the ASX in 2019 as part of an amalgamation with subsidiary companies owned by the Chinese group, Zijin Mining.

Eastplats' Kennedy's Vale project is a PGE project located along strike from the Project area. The primary target is the UG2, which has an average dip of 11° to the west.

A review of prill splits from adjacent properties has been used to estimate the prill split at the Project, given that available data is reported on a 4E (platinum + palladium + rhodium + gold) basis only (refer to Sections 6 and 7). Minxcon (2019) undertook this analysis which is provided in Figure 5-2.



MODIKWA		
4E Splits (%)	MR	UG2
Pt	60.30	43.70
Pd	30.20	46.00
Rh	3.10	8.90
Au	6.40	1.40
Reef Detail		
Ave Width (cm)	-	-
Ave Grade (g/t)	2.70	6.02

Source: Anglo Platinum Web (Nov 2018)

GROOTBOOM VALLEY		
4E Splits (%)	MR	UG2
Pt	65.00	46.00
Pd	26.00	44.00
Rh	4.00	9.00
Au	5.00	1.00
Reef Detail		
Ave Width (cm)	103	110
Ave Grade (g/t)	2.75	4.84

Source: Venmyn 2009

GARATAU 282 KT		
4E Splits (%)	MR	UG2
Pt	60.60	44.40
Pd	29.20	44.40
Rh	3.40	9.60
Au	6.80	1.50
Reef Detail		
Ave Width (cm)	222	110
Ave Grade (g/t)	3.22	5.31

Source: Nkwe Website (Nov 2018)

BENGWENYAMA		
4E Splits (%)	MR	UG2
Pt	61.00	44.00
Pd	29.00	44.00
Rh	3.00	10.00
Au	7.00	2.00
Reef Detail		
Ave Width (cm)	191	72
Ave Grade (g/t)	2.98	7.52

Minxcon 2018 Resource Estimate

Figure 5-2: Prill splits from adjacent properties and the prill split applied to the Project
Source: Minxcon (2019)

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6 Exploration

SPD has not carried out any exploration at the Project. Historical exploration conducted prior to Nkwe's tenure is described in Section 3.2. The exploration carried out by Nkwe is shown in Figure 3-1 and Minxcon undertook a data compilation exercise to generate a project database from the information disclosed by Nkwe in the public domain.

6.1 Reliance on Nkwe Exploration Data

Nkwe disclosed exploration drilling results at the Project in accordance with JORC (2004). Drilling and assay results are documented in the following ASX announcements:

- https://www.asx.com.au/asxpdf/20071022/pdf/31580ytpp1m8xm.pdf
- https://www.asx.com.au/asxpdf/20080109/pdf/316vf5vtsjy0fx.pdf
- https://www.asx.com.au/asxpdf/20080314/pdf/3181m61n881x76.pdf

The Competent Person has been unable to independently verify the grade, widths and depths of the intersections reported by Nkwe, nor has the Competent Person been able to assess the quality assurance and quality control (QAQC) procedures associated with the data reported.

However, the Competent Person places sufficient confidence in the data reported by Nkwe to allow it to be used for the MRE presented in this ITAR. This confidence is based on:

- The documented and well-understood continuity of the economic horizons within the Bushveld Complex
- Mineralised widths and grades reported by Nkwe are reasonable and aligned in both magnitude and geographic position with those reported from adjacent properties
- The Competent Persons' relevant experience in the region, including work on adjacent properties
- Industry practices that were widely in place at the time of the work.

6.2 Summary of Nkwe Exploration

A total of 30 diamond drill motherholes were drilled by Nkwe on the Project in 2007 and 2008, with at least 69 deflections recorded. This drilling data was used, in conjunction with reconnaissance mapping and a geophysical interpretation completed by Nkwe, to define the MRE described in this ITAR. All available drillhole data are presented in Table 6-1; note that the Nkwe disclosures were incomplete and therefore not all data from every hole is available.

All drillhole data relates to publicly available information, much of the meta data that is routinely collected during exploration drilling was not available for review. A number of drillhole collar locations were verified in the field; these were EST003, EST016, EST017, EST020, and NVT008.

Core diameter was not reported by Nkwe but is likely to have been NQ. Deflections, drilled by placing a wedge in the drillhole, were most likely drilled in TBW diameter. Drill recovery information was also not reported, however, recovery of Bushveld core, away from fault zones or contacts with intrusive material, is expected to be high due to the competent nature of the rocks. No information about the geological or geotechnical logging method is available. Geological logging was not reviewed, but the depths to the Merensky Reef and the UG2 are considered reasonable for the Project location.

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Table 6-1: Available drilling and assay data for the Project

Property	BH ID	Deflection	Y	X	Z	Merensky Reef				UG2 Reef			
						From (m)	To (m)	Width (m)	Grade (3PGE+Au) g/t	From (m)	To (m)	Width (m)	Grade (3PGE+Au) g/t
Nooitverwacht 324 KT	NVT001	D0	-2735598.054	-90202.377	857.749	452.34	457.56	5.22		464.58	464.95	0.37	
		D4	-2735598.054	-90202.377	857.749	458.01	459.18	1.17	0.38				
	NVT002	D0	-2735239.633	-91173.259	904.445	569.35	570.50	1.19		758.48	759.29	0.81	6.06
		D1	-2735239.633	-91173.259	904.445					758.66	758.86	0.20	3.92
		D2	-2735239.633	-91173.259	904.445					757.89	758.61	0.72	6.60
		D4	-2735239.633	-91173.259	904.445	569.22	570.44	1.22	1.43				
		D6	-2735239.633	-91173.259	904.445	569.56	570.92	1.36	2.53				
	NVT003	D0	-2737168.881	-91446.035	908.758	647.56	649.66	2.10	4.68	904.80	905.48	0.68	7.66
		D1	-2737168.881	-91446.035	908.758					904.91	905.71	0.80	7.30
		D3	-2737168.881	-91446.035	908.758					904.80	905.77	0.97	6.57
		D4	-2737168.881	-91446.035	908.758	647.35	649.45	2.10	2.17				
		D5	-2737168.881	-91446.035	908.758	647.35	649.50	2.15	2.85				
	NVT004	D0	-2733942.772	-89814.482	927.037	456.74	458.55	1.81		693.73	694.40	0.67	
	NVT005	D0	-2735944.525	-91096.495	913.009	481.28	483.20	1.92		713.06	713.71	0.65	9.70
		D2	-2735944.525	-91096.495	913.009	481.43	483.45	2.02	4.15				
		D4	-2735944.525	-91096.495	913.009	481.24	483.60	2.36	4.63				
	NVT006	D0	-2734721.404	-90909.768	906.058	561.10	563.10	2.00		833.91	834.47	0.56	
	NVT008	D0	-2735199.164	-91819.691	948.97	639.88	642.05	2.17		919.23	919.75	0.52	
Eerste Geluk 327 KT	EST001	D0	-2734815.291	-89251.64	876.908	324.12	324.32	0.20		517.56	518.10	0.54	8.33
		D1	-2734815.291	-89251.64	876.908					517.58	518.10	0.52	7.96
		D2	-2734815.291	-89251.64	876.908					517.65	518.30	0.65	11.81
		D4	-2734815.291	-89251.64	876.908	320.13	321.61	1.48	1.09				
		D5	-2734815.291	-89251.64	876.908	324.19	326.30	2.11	2.89				
		D7	-2734815.291	-89251.64	876.908	326.04	328.75	2.82	7.63				
	EST002	D0	-2734749.619	-87906.257	848.913	262.02	264.28	2.26	1.62				
	EST003	D0	-2736606.588	-89831.354	841.78	429.18	431.43	2.25	3.23	464.58	464.95	0.37	
	EST004	D0	-2737812.194	-89272.246	828.118								

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Property	BH ID	Deflection	Y	X	Z	Merensky Reef				UG2 Reef			
						From (m)	To (m)	Width (m)	Grade (3PGE+Au) g/t	From (m)	To (m)	Width (m)	Grade (3PGE+Au) g/t
	EST005	D0	-2736001.731	-87401.308	825.435	189.48	191.70	2.22	2.99	492.42	493.42	1.00	5.15
		D1	-2736001.731	-87401.308	825.435					492.47	493.31	0.84	8.94
		D3	-2736001.731	-87401.308	825.435					492.70	493.65	0.95	7.86
		D4	-2736001.731	-87401.308	825.435	189.50	191.62	2.12	2.69				
		D5	-2736001.731	-87401.308	825.435	189.41	191.55	2.14	1.92				
	EST006	D0	-2736765.402	-86569.858	804.236	39.15	41.05	1.90		333.41	334.55	1.14	10.15
		D1	-2736765.402	-86569.858	804.236					333.85	334.52	0.67	8.70
		D2	-2736765.402	-86569.858	804.236					334.35	335.22	0.87	7.72
		D4	-2736765.402	-86569.858	804.236	39.23	41.36	2.13	6.46				
	EST007	D0	-2737646.591	-87296.513	801.137	206.37	208.27	1.90					
		D1	-2737646.591	-87296.513	801.137	206.34	208.39	2.05	2.33				
		D2	-2737646.591	-87296.513	801.137	206.23	208.18	1.95	0.87				
	EST008	D0	-2738226.18	-88214.942	797.186								
	EST009	D0	-2737263.648	-89330.488	826.467								
	EST010	D0	-2734000.761	-88816.363	893.722	304.31	304.88	0.57		498.21	499.04	0.83	
	EST011	D0	-2740361.572	-86145.267	775.454					123.97	124.61	0.65	7.28
		D5	-2740361.572	-86145.267	775.454					121.16	121.90	0.74	4.21
		D6	-2740361.572	-86145.267	775.454					120.88	121.49	0.61	4.40
	EST012	D0	-2737214.686	-85593.603	782.09					211.28	211.79	0.51	
		D1	-2737214.686	-85593.603	782.09					211.07	211.87	0.80	6.14
		D2	-2737214.686	-85593.603	782.09					211.06	211.88	0.82	6.08
		D4	-2737214.686	-85593.603	782.09					211.14	211.91	0.77	5.18
	EST013	D0	-2738429.359	-87010.421	777.075								
	EST014	D0	-2737987.283	-84848.225	749.543								
	EST016	D0	-2735701.105	-88219.334	847.283	348.55	350.05	1.50		608.22	609.00	0.78	
	EST017	D0	-2735094.289	-88776.113	861.904	250.06	250.25	0.19		495.63	496.00	0.37	
	EST018	D0	-2735404.042	-87317.362	829.147	155.04	157.16	2.12	2.54	465.59	466.20	0.61	10.24
		D1	-2735404.042	-87317.362	829.147					465.51	466.26	0.75	7.18
		D3	-2735404.042	-87317.362	829.147					464.88	465.56	0.68	8.19

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Property	BH ID	Deflection	Y	X	Z	Merensky Reef				UG2 Reef			
						From (m)	To (m)	Width (m)	Grade (3PGE+Au) g/t	From (m)	To (m)	Width (m)	Grade (3PGE+Au) g/t
		D4	-2735404.042	-87317.362	829.147	155.15	157.36	2.21	2.86				
		D5	-2735404.042	-87317.362	829.147	155.17	157.37	2.20	1.94				
	EST019	D0	-2734549.729	-88479.891	866.903					501.30	501.82	0.52	8.58
		D0	-2734549.729	-88479.891	866.903	260.72	262.81	2.09		501.33	501.80	0.47	
		D1	-2734549.729	-88479.891	866.903					501.14	501.73	0.59	8.33
		D2	-2734549.729	-88479.891	866.903					501.42	501.94	0.52	8.90
		D5	-2734549.729	-88479.891	866.903	260.95	262.95	2.00	1.66				
		D6	-2734549.729	-88479.891	866.903	261.59	263.04	1.45	1.88				
		D7	-2734549.729	-88479.891	866.903	261.66	263.49	1.83	1.85				
	EST021	D0	-2737201.559	-86767.881	798.665	64.88	66.48	1.60		358.74	359.27	0.53	
	EST022	D0	-2734050.262	-89101.623	897.214	267.86	269.65	1.79		515.90	516.75	0.85	
	EST023	D0	-2736329.881	-86683.508	810.996	53.37	55.75	2.38					
	EST025	D0	-2738688.482	-86610.004	774.202					247.67	248.32	0.65	

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No information about sampling, subsampling, sample preparation, QAQC methodology nor analytical techniques was available for review. However, Mr Nico Denner, Competent Person at the time of the Nkwe drilling, confirmed that the sampling, subsampling, sample preparation QAQC and analytical procedures were conducted according to industry best practice at the time. Details could unfortunately not be shared due to confidentiality constraints.

Given the widespread adoption of standard sampling practices and protocols in the South African PGE industry, the following assumptions have been made around sampling, subsampling, sample preparation and analytical methodologies:

- The Merensky Reef and UG2 would have been sampled in nominally equal samples with lengths between 10 cm and 20 cm, honouring lithological variations. Where chromitite stringers are present, samples are usually centred over the stringer. Standard industry practice includes sampling a 2 cm overbreak into the hangingwall and footwall of both reefs.
- Core would have been split using a core cutter with diamond-impregnated blades, resulting in a half core or quarter core for sample submission; the balance would be retained for reference.
- The Nkwe data reports 4E assay results (i.e. 3PGE+Au). By far, the most commonly used assay methodology in South Africa for this suite of elements is fire assay with lead collection for platinum, palladium and gold; rhodium is determined semi-quantitatively using fire assay with a palladium collector.
- No information is available on the QAQC protocols used by Nkwe, nor the results thereof. Standard Bushveld practice is to insert blank samples and certified reference materials (CRMs) at a nominal insertion frequency of 5%. A variety of Bushveld-specific CRMs are commercially produced by African Minerals Standards (AMIS) and Mintek (the SARM series of CRMs). Quarter-core duplicates are also occasionally generated.

In the context of the Project locality and surrounding projects and operations, the Competent Person deems the data to be a reasonable representation of the Merensky and UG2 reefs in the area. In addition, the data are deemed to be acceptable for use in Mineral Resource estimation and reporting.

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7 Mineral Resource Estimate

The MRE was completed by Minxcon (2019, effective date of 31 October 2018), for the Merensky and UG2 reefs. The Competent Person has reviewed the Minxcon estimate and made changes to the MRE, resulting in the MRE reported herein. The Competent Person assumes responsibility for the MRE.

The drillhole database consists of 30 drillholes (Table 6-1), of which 13 holes are on the Merensky and 10 holes are on the UG2, have available 3PGE+Au (platinum + palladium + rhodium + gold) values. A total of 21 drillholes were used for the interpretation of the geological wireframes.

7.1 Geology Model

Topography was defined from the regional surface contours in the South Africa LO31 coordinate system for the area. Collars were draped onto the topography prior to any 3D modelling work commenced (Figure 7-1).

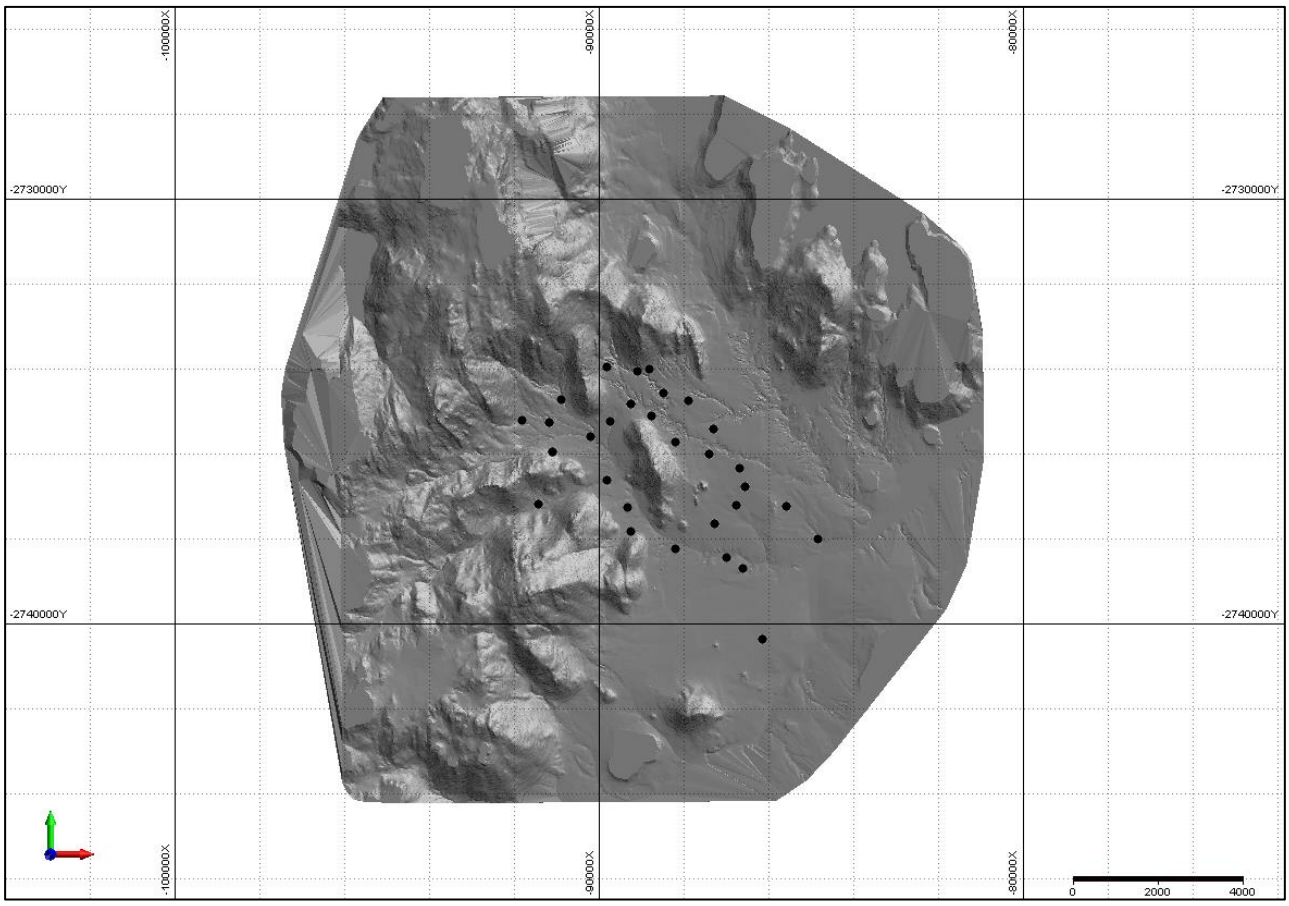

Figure 7-1: Drill collars and topography of the area

The geology model was built by Minxcon in 2018 using a combination of ARCGIS10™ and Datamine Studio 3™ (Minxcon, 2019). First, the stratigraphic sequence for the area was defined, then the dykes and fault wireframes were constructed from a regional geomagnetic survey (probably of aerial origin, but not confirmed). This information was used to define structural blocks across the area within which the Merensky and UG2 reefs were modelled. Faulted offsets were based on the drillhole intersections, dip and strike determined per fault block based on drillhole intersections and general dip and strike if the specific fault block did not have sufficient info. Minxcon utilised the neighbouring areas to confirm its model. The final 3D model had a good correlation with the neighbouring properties.

Structures (Figure 7-2) were inferred to be vertical unless they were observed in nearby drill core. Where faults or dykes were observed, wireframe dip was altered locally to honour the intersections. Minxcon used

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regional and local inferred reef strikes and dips to construct the top surfaces of the Merensky and UG2 reefs, validating this with drilling located within the same fault block.

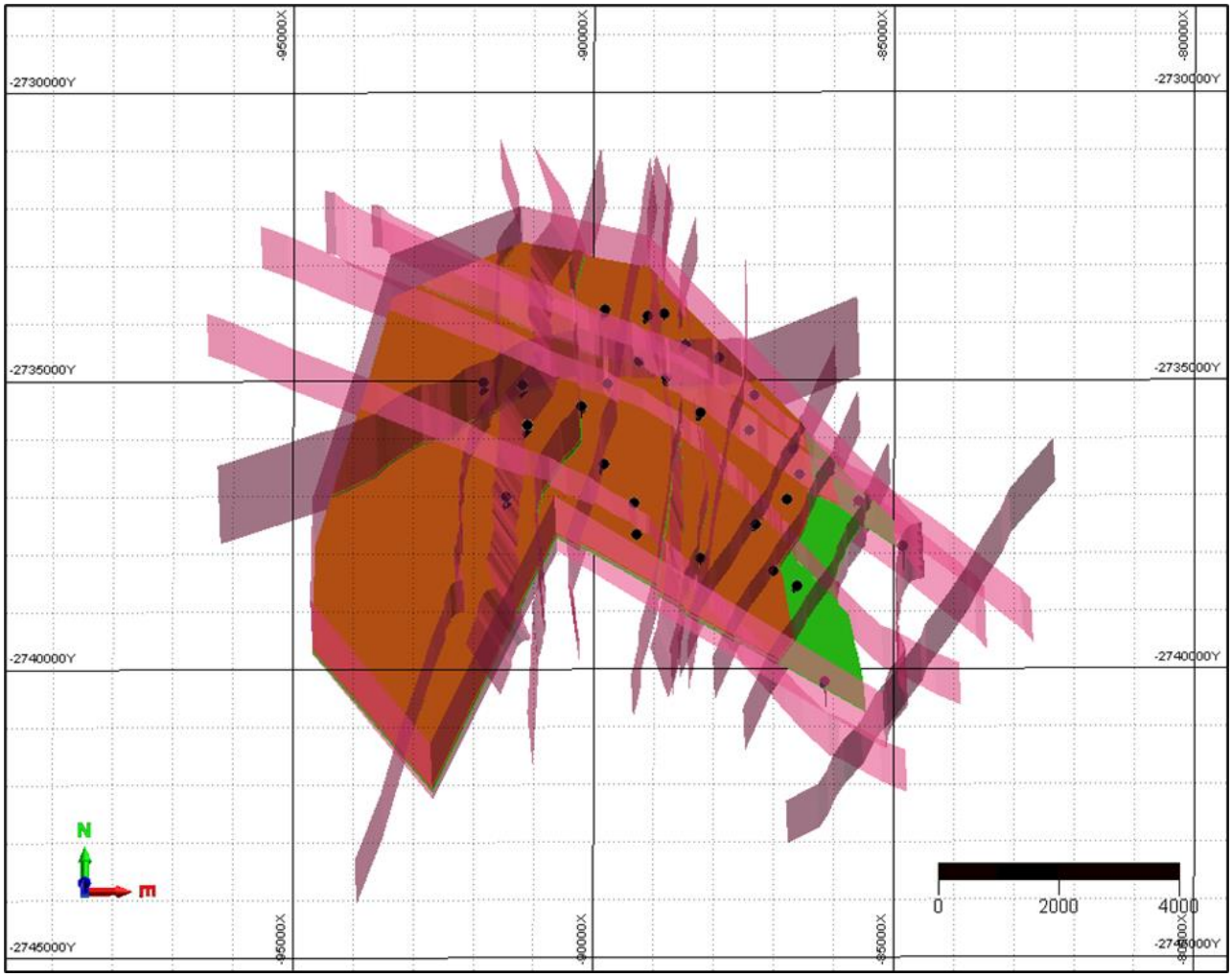

Figure 7-2: Oblique view looking north, showing drillhole traces (black), Merensky surface (orange), UG2 surface (green), faults and dykes (transparent red)

Thickness wireframes, at a zero elevation, were generated using translated top reef wireframes, with the lower surface being offset by either the nearest downhole intersection or average reef thickness. The thickness wireframes were then seam filled with a block model, with block sizes of 25 m(E) x 25 m(N) x variable thickness value in the Z direction. This block model was then translated back into the original plane and used to define points for the basal surface of each reef.

The Competent Person reviewed the wireframes against downhole logging. Overall, the Merensky and UG2 downhole intersections were honoured by the wireframes. Five drillholes did not contain a logged interval for either reef, EST020D0 was logged as dyke and holes EST004D0, EST008D0, EST009D0 and EST013D0 were logged as BIC (assumed to be Bushveld Igneous Complex). Both the Merensky and UG2 wireframes passed through these holes. These holes represent exploration potential and the assumption that the Merensky and UG2 reefs continue across these areas is reasonable.

7.2 Estimation

Raw assay data are used for grade estimation. Channel width is estimated from sample length and used to inform thickness of the reef in the block model.

Missing assays were treated as absent values. Histograms of grade and length have near normal distribution. No top cuts were applied to the grade data, although a top cut was applied to one outlier in the length data for the Merensky Reef, this was considered appropriate.

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Relative density values of 3.32 t/m^3 for Merensky and 3.98 t/m^3 for UG2 were assigned to the block model. The values were previously used by Nkwe and were based on average determinations from core and are considered appropriate.

The inverse distance squared estimator (ID^2) was used for estimation in Datamine Studio 3™. Estimation (parent) cell size was 250 m x 250 m x 100 m (XYZ). An omni-directional disc-shaped search neighbourhood (ellipse) was setup to locate intersections for estimation. Two search passes were run during estimation. Search distances for the first pass for grade estimation were 700 m for Merensky and 450 m for UG2. The channel width search distances were 1,500 m for Merensky Reef and 1,200 m for UG2. Search distances for the second pass were doubled. The minimum number of intersections used in each search was three, with a maximum of five for both reef estimates.

Visual and statistical validation of the estimation is reasonable and acceptable. The global mean of the grade and length estimates are within 7% of the mean of the input samples.

7.3 Classification

The available data are deemed acceptable for Mineral Resource estimation and reporting, there is however a lack of certain information regarding the data, as detailed above, and this is considered by the Competent Person.

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes.

The Mineral Resource is classified as Inferred in the areas relatively close to drillhole intersections with assay data.

The Inferred classification is justified by:

- Reliable base data (although supporting data are limited)
- Drillhole intersections supported by assay data (intersections that only had reef widths were used to prove reef continuity, but were not included in the extrapolation of Inferred Mineral Resources
- The Inferred range is based on twice the variogram range
- Drillhole spacing
- Reef continuity confirmed by the Project drillholes and the operations or projects to the north (Modikwa), East (Grootboom) and South (Kennedy's Vale) of the Bengwenyama Project
- Reef thickness and grade is comparable to neighbouring projects and operations.

Blocks within the first and second grade estimation search passes were initially classified as Inferred by Minxcon for both Merensky and UG2 reefs.

The Competent Person revised the Inferred classification boundary of the UG2 reef with a focus on the spacing of intersections which included grade data. The revised classification increased the continuity in the west and removed isolated material in the southeast (Figure 7-3).

The Inferred classification of the UG2 and Merensky reefs is considered conservative relative to other Bushveld Complex projects and operations where an Inferred classification is often extrapolated many kilometres from intersections and some Inferred areas not containing any intersections.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

An Exploration Target is reported beyond the Inferred Mineral Resource (Figure 7-3).

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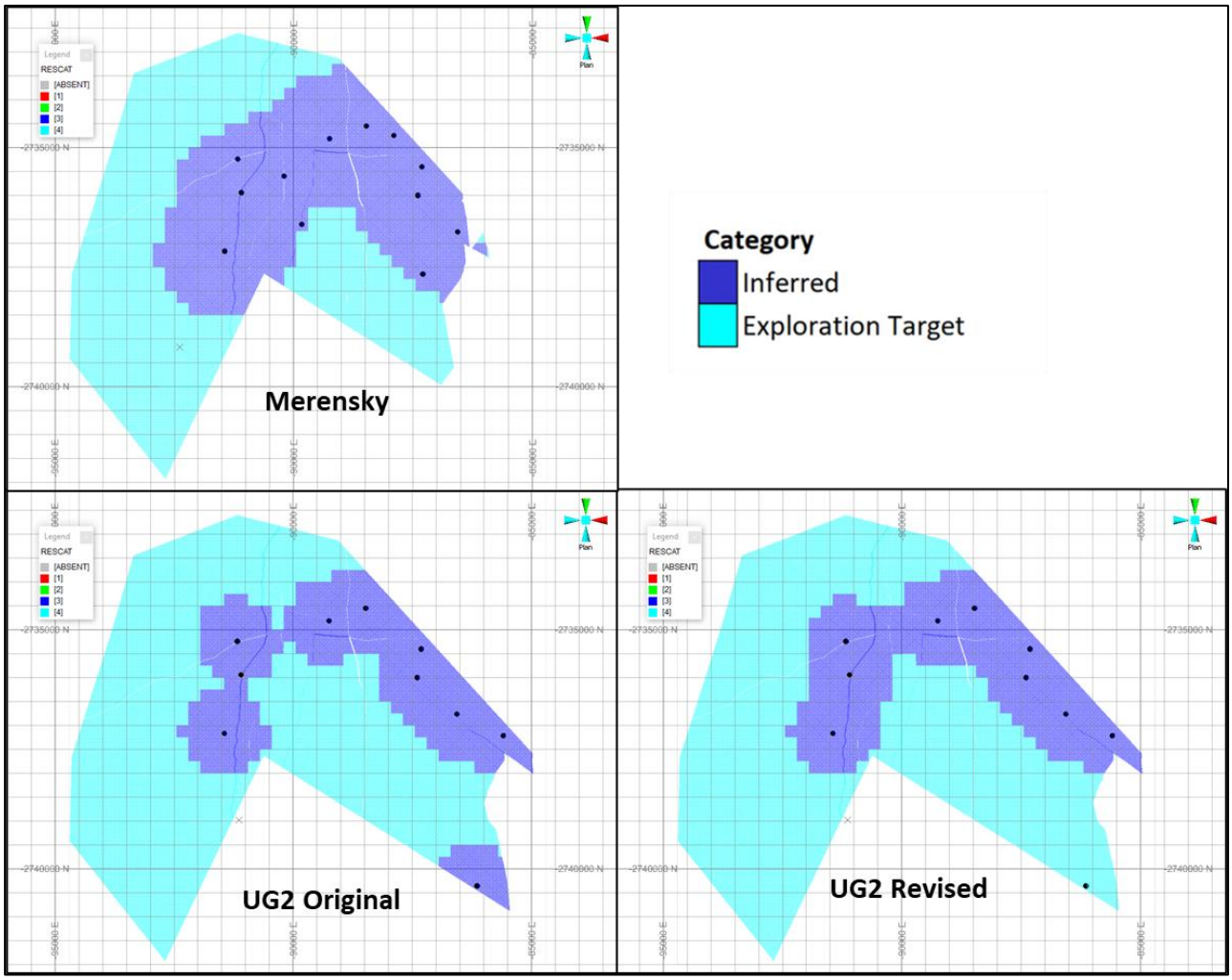

Figure 7-3: Mineral Resource classification: top – Merensky; bottom-left – UG2 original; bottom-right – UG2 revised; drillhole intersections used for estimation shown as points

During peer reviews, a question was asked regarding the classification of the Inferred Mineral Resource and whether it should be reported as an Exploration Target due to the lack of available core. JORC defines an Exploration Target as mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The quantity and spacing of exploration data (drillhole intersections) acquired, comfortably meets the criteria for classifying Inferred Mineral Resources and can even be considered conservative relative to neighbouring projects and operations.

7.4 Reasonable Prospects for Eventual Economic Extraction (RPEEE)

Based on the volume, grade and depth of the Merensky and UG2 reefs, and the similarity with other projects and operations in the area and other parts of the Bushveld Complex, the Mineral Resource is deemed to have reasonable prospects for eventual economic extraction. The reefs can be extracted from underground mining with ore processed by means of conventional methods used extensively throughout the Bushveld Complex.

7.4.1 Mineral Resource Pay Limit

The Mineral Resource pay limit grades for the underground accessible Mineral Resources were based upon realistic mining considerations. The Mineral Resource pay limit should not be considered in terms of Ore Reserves, but as a long-term view based on realistic operational and processing costs, as well as long-term projected commodity prices. The pay limit calculated for the Merensky Reef is 1.2 g/t 3PGE+Au, and 2.2 g/t 3PGE+Au for the UG2. The prill splits used in the pay limit calculation are based on the surrounding mines, with a focus on Garatau which is to the northwest of the Bengwenyama Project (Figure 5-2). The metal prices

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used are the 90th percentile of the historical real term commodity prices since 1980, a US$/ZAR exchange rate of 14.99 was considered. The individual commodity prices used are:

- Platinum = US$1,900/oz (relatively high, but offset with the lower palladium price)
- Palladium = US$900/oz (half of the actual 90th percentile to align it with the higher platinum price)
- Rhodium = US$8,200/oz
- Gold = US$1,830/oz.

The current commodity spot prices are higher and would result in a slightly higher basket price which would result in a lower or similar pay limit grade.

Table 7-1 summarises the parameters used in the pay limit calculation. The UG2 operating costs are based on a recent study completed for an operation on the Western Limb, while the Merensky Reef (trackless mining) is based on the operating costs sourced from the public domain for the Two Rivers operation.

Table 7-1: Pay limit parameters

Parameter	Unit	UG2	MR	Comment
Metal basket price	R/g	1,007	865	Based on the 90th percentile and prill splits
Operating cost	R/t	1,120	640	Merensky Reef is trackless mining and UG2 conventional
Treatment cost	R/t	200	140	No smelter and refinery costs
Mine call factor	%	100%	100%	
Payability	%	85%	85%	Discount for toll treatment
Recovery	%	90%	90%	Recovery

7.4.2 Environmental and Social

The Project area falls within the North-Eastern Sandy Highveld, Soury Mixed Bushveld, and Mixed Bushveld. The area does not lie within a protected area, although there are a few protected plants species, several rivers and drainage lines on the property. The relevant buffer zones will be observed so as not to disturb these protected plant species and water resources. Water to support the exploration activities will be sourced from the De Hoop Dam pipeline that is managed by the Lebelelo Water User Association (LWUA). Negotiations with the LWUA are already in progress and agreements shall be put in place in due course. There are no known potential environmental risks associated with the Project.

The Project area farms (i.e. Eerste Geluk and Nooitverwacht) are state owned and are occupied by the Bengwenyama-Ya-Maswati community. The community has lodged a land claim for farm Eerste Geluk which has been gazetted and uncontested. The Department of Rural Development and Land Reform has been notified and consulted regarding the Project. Land use agreements between MUM and the state are currently being developed. The Bengwenyama-ya-Maswati Community is a major shareholder of the Project and as such, the Traditional Council and the communities they preside over are actively involved in the Project. As such, land claims are not anticipated to adversely affect the progression or development of the Project.

Consultation meetings are continually held with the community to inform them of project development and to provide them a safe platform to raise their concerns so that they can be amicably addressed. This has resulted in a sound foundation for a good working relationship between the Company and the community, which is the major shareholder.

In addition, the Bengwenyama Traditional Council has elected a mining sub-committee that is actively engaged. The sub-committee has thus far assisted in acquiring a safe facility that will be used as the core logging and core storage yard and in identifying skilled individuals within the community that could be employed for certain roles within the Project.

7.4.3 Potential Mine Infrastructure

The Project area is surrounded by other mining operations which utilise developed infrastructure such as water supply from the De Hoop dam and Eskom electrical supply. These services will have to be negotiated

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from the specific service providers once the Project develops to a more advanced stage. A non-member water use agreement is currently being negotiated for the exploration drilling.

A land use agreement is currently being developed between the Company and the community for future mining purposes. Figure 7-4 shows the area that has already been earmarked for the future mine site (red polygon) that will form part of the land use agreement. The community is also in the process of applying for the surface rights for the farm Winterveld which neighbours the Eerste Geluk farm to the north, which could be used for future mine infrastructure requirements.

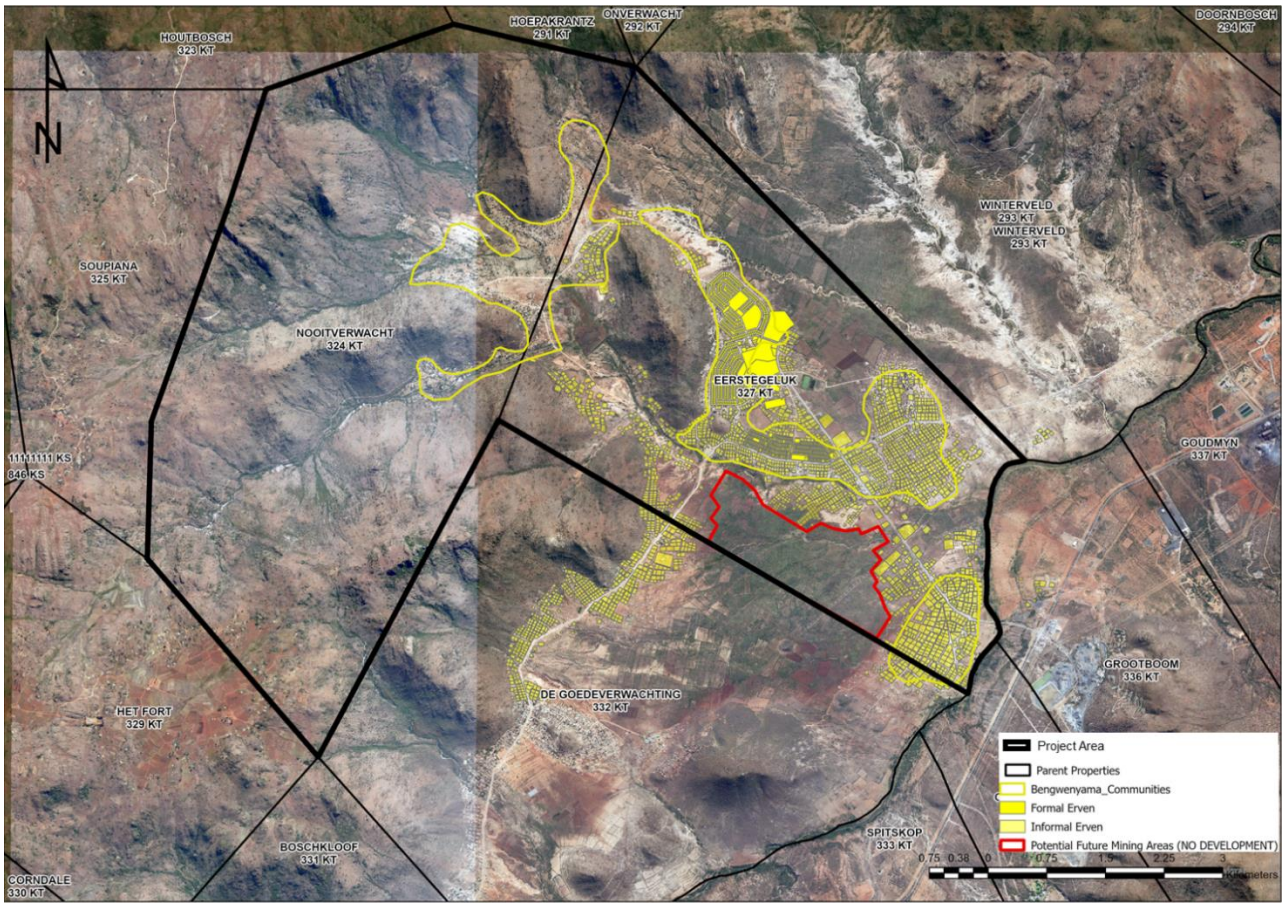

Figure 7-4: Project area showing area earmarked for mining infrastructure

7.5 Mineral Resource Statement

The Mineral Resource for the Bengwenyama PGE Project is reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition) (Table 7-2). A geological loss has been applied to the tonnages of the Inferred material which was discounted by 10% and 17% for the Merensky and UG2 reefs, respectively (based on Nkwe Mineral Resource statements). This reduction in tonnage accounts for reef material lost due to faulting, dykes, and potholes. The geological losses are deemed appropriate based on the average geological loss of 17.2% for UG2 and a geological loss range of between 10.9% and 38.8% for the Merensky at the Modikwa lease area, immediately north of the Eerste Geluk farm (ARM, 2021). The Inferred Mineral Resource is also limited to areas including reef intersections and excludes areas where drillholes did not intersect reef. These losses are therefore accounted for in the model, prior to applying a geological loss.

Pay limit grades of 2.2 g/t 3PGE+Au for the UG2 and 1.2 g/t 3PGE+Au for the Merensky reefs are applied (3PGE+Au is platinum + palladium + rhodium + gold).

The Mineral Resources are stated at a reef width and not a mining cut, as information is limited in this regard at this stage to declare a mining cut. However, if a mining cut of 1 m were to be applied to the UG2 (based

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on the surrounding mining operation and projects), the content would remain similar, but the grade would be approximately 5.47 g/t 3PGE+Au.

Table 7-2: Mineral Resource for the Bengwenyama PGE Project as of 1 July 2021

Mineral Resource classification	Reef	Tonnes (Mt)	3PGE+Au		Reef width (cm)
			g/t	Moz	
Inferred	UG2	33.87	7.70	8.38	71
Inferred	Merensky Reef	110.02	2.96	10.42	191
Total		**143.89**	**4.07**	**18.80**	

Notes:

- *3PGE+Au refers to platinum + palladium + rhodium + gold*
- *Mineral Resource pay limit is 2.2 g/t 3PGE+Au for UG2 and 1.2 g/t 3PGE+Au for Merensky*
- *Basket price used for the pay limit calculation is US$2,086/oz for UG2 and US$1,794/oz for Merensky*
- *Geological losses of 17% for the UG2 and 10% for the Merensky have been applied*
- *Figures may not add up due to rounding*
- *Mineral Resources are reported as total Mineral Resources and are not attributed*

Nkwe did assay the reef intersections for copper and nickel, but this data was never released into the public domain.

7.6 Exploration Target

An Exploration Target is reported within the reef wireframe volumes, beyond the Inferred Mineral Resource (Table 7-3). The Exploration Target was estimated using the Sichel t-estimator, which is used for estimating the average grade of an area or volume with limited data. The maximum grades (and tonnages) correspond to 20% above the Sichel t-estimate and the minimum grades (and tonnages) are reported as being 20% below the Sichel t-estimate. Geological losses of 40% and 35% are applied for UG2 and Merensky, respectively. The pay limit is the same as that applied for the Inferred Mineral Resource; 2.2 g/t 3PGE+Au for the UG2 and 1.2 g/t 3PGE+Au for Merensky (3PGE+Au is platinum + palladium + rhodium + gold).

Note that the potential quantity and grade of the Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. Work planned by SPD to test the Exploration Target is described in Section 8 of this ITAR.

Table 7-3: Exploration Target for the Bengwenyama PGE Project as of 1 July 2021

Category	Reef	Minimum tonnes (Mt)	Maximum tonnes (Mt)	Minimum grade (3PGE+Au g/t)	Maximum grade (3PGE+Au g/t)
Exploration Target	UG2	45	68	5.9	8.9
Exploration Target	Merensky Reef	88	133	2.2	3.4
Total		**134**	**201**	**3.5**	**5.2**

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8 Planned Work

SPD has planned a drill program targeting the current key milestones:

- Phase 1: Infill drilling of the shallowest portion of the deposit, which has been planned on a 350 m grid spacing, with the aim of upgrading the Mineral Resource confidence in this area to Indicated, to provide sufficient confidence to support downstream mining and economic studies. Provision has been made for some potential validation drilling of existing Nkwe intersections. The primary focus of Phase 1 drilling is the UG2 at depths less than 500 m (shaded area in Figure 8-1). The maximum planned drillhole depth is 550 m with an average depth of 288 m. The drilling will start on a wider grid spacing and work toward a closer spaced grid. This will allow for changes in the drilling program if the geological model should change significantly in the south-eastern corner due to the possible domal structure.
- Phase 2: Widely spaced drilling within the Exploration Target area to potentially support upgrading this material to Inferred Mineral Resources. The wider spaced Phase 2 drilling will improve the confidence in the entire Project area and potentially allow for more accurate longer-term life of mine planning in the long run. This phase could also increase the value of the Project with the total area possibly being upgraded to Inferred. The maximum drillhole depth is estimated to be 2,040 m (due to the topography) with an average drilling depth of 932 m.

Conceptual plans for Phase 1 and Phase 2 drill programs are shown in Figure 8-1.

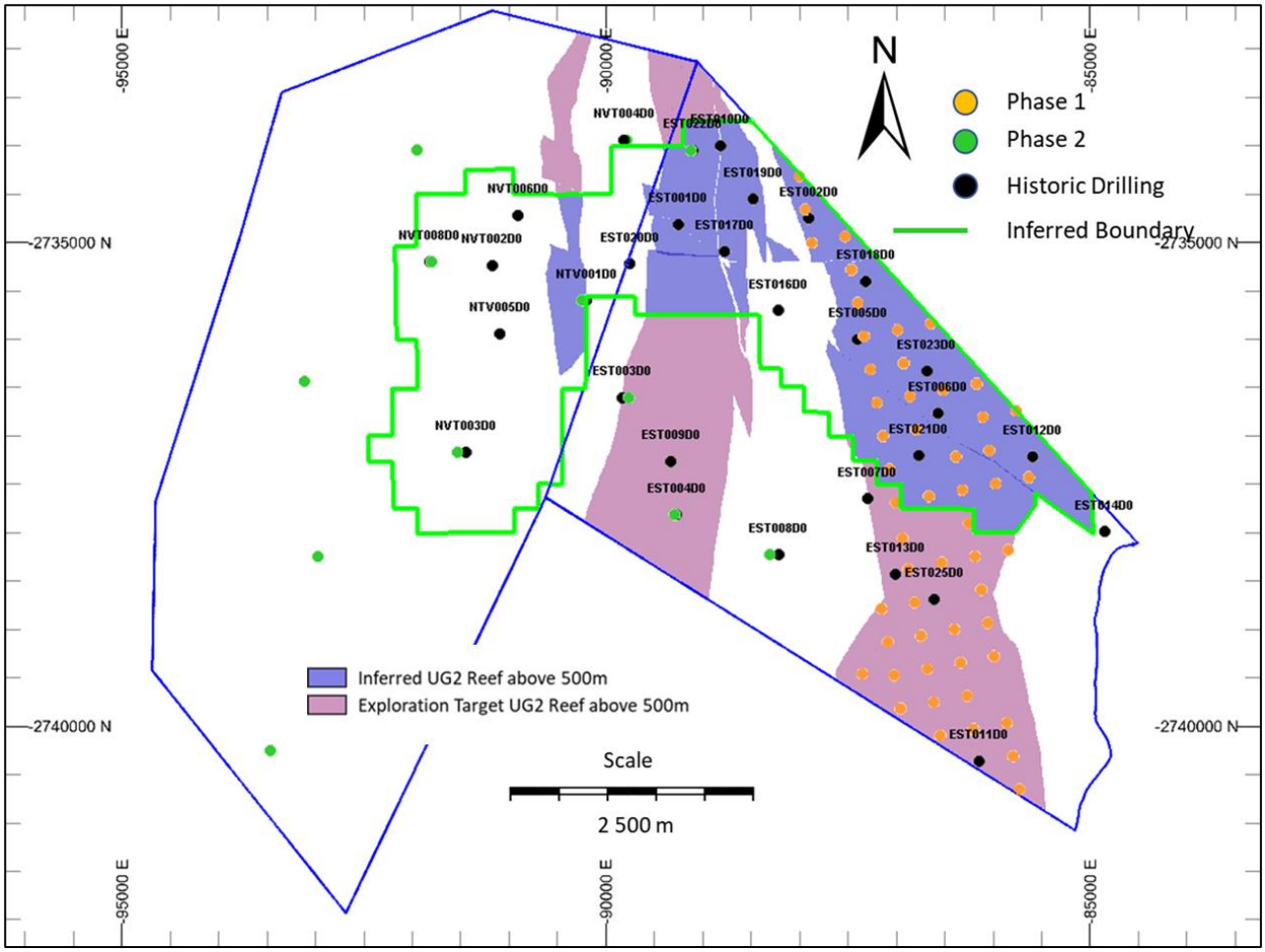

Figure 8-1: Planned drilling (Phase 1 and Phase 2)

Approximate drilling metres, by phase, are presented in Table 8-1.

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Table 8-1: Drilling metres by phase including deflections

Phase	Drillholes	Total drilling (m)
Phase 1	63	24,464
Phase 2	12	13,582
Total	**75**	**38,046**

The intention of the completion of the drilling programs set out above is to facilitate further study work on the Project to support the generation of a Mining Work Program and lodgement of a Mining Right Application. Provision has been made for metallurgical testwork and statutory requirements set out by the MPRDA, including environmental work and a Social and Labour Plan.

The schedule for this exploration program is detailed in Figure 8-2. The helicopter airborne magnetic and radiometric geophysical survey was completed by NRG Exploration CC in the third week of January 2022. The data is being processed and the final interpretation will be available in mid-March 2022. The line spacing of the survey was 50 m at an average height of approximately 35 m. The height ranged between 25 m and 45 m due to the topography. The aim of the geophysical survey was to help confirm the structures of the geological model.

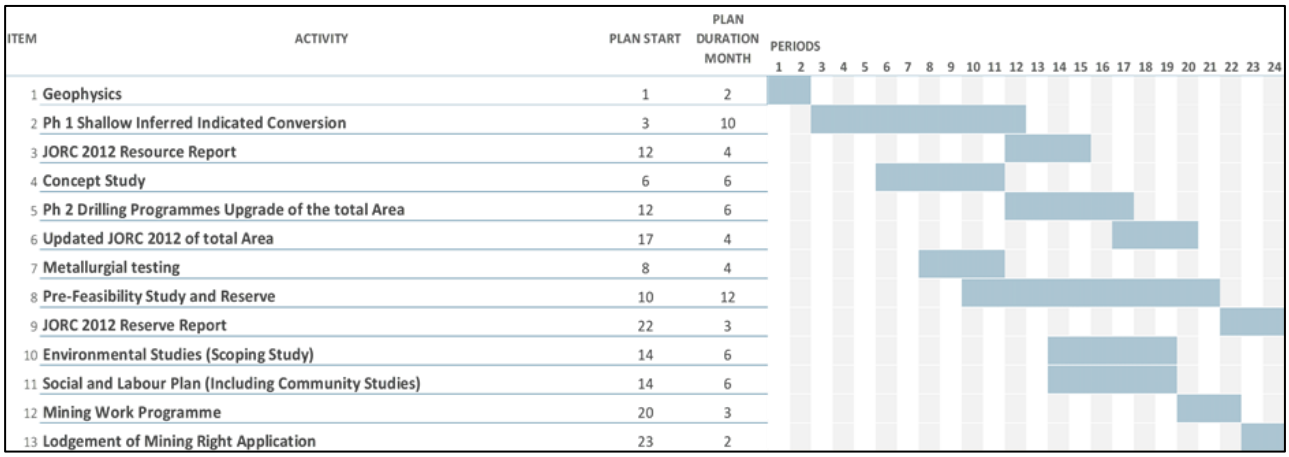

Figure 8-2: Exploration program schedule

The logistical preparation for the drilling campaign is underway, with the drilling tender adjudication process planned to close by March 2022. Negotiations with the LWUA have also commenced for a non-member water use agreement for the water requirements of the drilling operations.

Phase 1 drilling will culminate in a JORC Mineral Resource Report with a concept study being completed simultaneously as Phase 1 drilling. Phase 2 is planned to follow on from Phase 1 if the results support this. The prefeasibility study will follow on from the concept study and finalisation of Phase 1, which should allow for the declaration of reserves which will support the lodging of the Mining Right Application. The environmental scoping study and social and labour plan will also be completed as part of the requirement for the Mining Right Application. The additional detailed studies such as the environmental studies will commence once the Mining Right has been lodged.

A total project budget, inclusive of associated study work, for the first two years of exploration and project development is provided in Table 8-2. Of this amount, ZAR 1,22 million (A$108,000) has been spent to date on consultants for independent Competent Person Reports, the heliborne geophysical survey, exploration program preparation and mobilisation and legal fees.

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Table 8-2: Proposed budget for the first two years of exploration and project development

Activity	Amount (A$'000)
Phase 1 drilling	7,407 [1]
Technical reporting and MRE updates	53
Phase 2 drilling	3,562 [2]
Technical reporting and MRE updates	53
Metallurgical testwork	161
Study work	715
Environmental, social and labour plan	371
Affected party consultation	219
Mining Work Program and Mining Right Application	33
Contingency	648
Total	**13,222**

Notes: [1] Refer to Table 8-3 total. [2] Refer to Table 8-4 total.

The detailed drilling budget for Phase 1 and Phase 2 is summarised in Table 8-3 and Table 8-4, respectively. This is based on utilising between six and eight drill rigs in order to achieve the planned scheduled. The drilling budget is based on a cost per metre drilling rate of ZAR1,650/m for the mother hole and for the deflections ZAR1,800/m. Two deflections are planned for each reef per drillhole. The total drilling associated cost per metre rate is approximately ZAR2,375/m for Phase 1 and ZAR2,210/m for Phase 2. The rate for Phase 2 is lower as there are no mobilisation costs for Phase 2, and Phase 1 includes the geophysics. The total all-inclusive exploration cost per metre rate for the two phases is ZAR3,390/m and ZAR2,937/m for Phase 1 and Phase 2, respectively. The all-inclusive exploration rate includes all the items in the two tables. The stated budget excludes and taxes.

Table 8-3: Phase 1 drilling budget summary

Activity	ZAR	A$	%
1. Mobilisation and demobilisation	500,000	44,660	0.6%
2. Geophysics	800,000	71,455	1.0%
3. Exploration drilling	58,108,560	5,190,211	70.1%
4. Analyses and testwork	2,071,440	185,019	2.5%
5A. Geological staff	13,471,830	1,203,293	16.2%
5B. Survey	80,640	7,203	0.1%
6. Travel and accommodation	559,800	50,001	0.7%
7. Project running costs	1,673,213	149,450	2.0%
8. Other contractors	675,000	60,290	0.8%
9. Trenching and bulk sampling	0	0	0.0%
10. Contingency (6.5%)	4,981,631	444,955	6.0%
TOTAL	**82,922,114**	**7,406,538**	**100.0%**

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Table 8-4: Phase 2 drilling budget summary

Activity	ZAR	A$	%
1. Mobilisation and demobilisation	0	0	0.0%
2. Geophysics	0	0	0.0%
3. Exploration drilling	30,011,148	2,680,572	75.2%
4. Analyses and testwork	657,600	58,736	1.6%
5A. Geological staff	5,987,480	534,797	15.0%
5B. Survey	35,840	3,201	0.1%
6. Travel and accommodation	248,800	22,223	0.6%
7. Project running costs	743,650	66,422	1.9%
8. Other contractors	300,000	26,796	0.8%
9. Trenching and bulk sampling	0	0	0.0%
10. Contingency (5%)	1,899,226	169,637	4.8%
Total	**39,883,744**	**3,562,384**	**100.0%**

The drilling tender process is underway and will be completed by March 2022, and the tenders submitted have indicated that the planned budget is in line with expectations.

The Competent Person considers the proposed exploration plan and associated budget to be reasonable and appropriate for the advancement of the Project. The proposed budget amounts to approximately 69% of total funds to be raised in the IPO.

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9 Technical Risks

Several technical risks at the Project are common to most, if not all, early-stage Merensky Reef and UG2 exploration projects:

- The distribution of IRUP at the Project is unknown. The Steelpoort Valley area is characterised by extensive IRUP emplacement (Scoon et al., 2017) which can be reef destructive. The Competent Person has applied industry-standard global geological losses to the Mineral Resource statement to mitigate against reef loss through IRUP, but the actual extent of IRUP will require additional drilling and/or geophysical investigation.
- The extent to which potholes have disturbed the Merensky and UG2 is unknown at this stage and will require further investigation. The global geological losses applied by the Competent Person aim to account for potential losses by potholing.
- Exploration activities are not always successful and, as for any exploration and mining company, there is a risk that metal prices may fall below prices that sustain a potential mine.
- The progression of Mineral Resources to increasing levels of confidence is dependent on the outcome of infill drilling. There is no guarantee that additional drilling will lead to progressive upgrades in Mineral Resource confidence, or the upgrading of Exploration Targets to Mineral Resources, or to an increase in the Mineral Resource tonnage and content. In this specific instance, however, the technical risk of a Bushveld infill program not delivering a material upgrade in Mineral Resource confidence is considered very low.

Risks specific to the Project are:

- The Competent Person has been unable to verify any of the data used to prepare the MRE. Based on the Competent Persons' regional and local knowledge, the industry-specific practices, and protocols in place in the South African platinum industry, and information from adjacent operations (in the context of the extensive geological and grade continuity exhibited by the Merensky Reef and UG2), it is the Competent Persons' opinion that reliance can be placed in the information insofar as supporting an Inferred Mineral Resource.

  In addition to assay data and a review of QAQC data, the following items may have a material impact on the geological model and MRE:

  - Downhole survey information: Holes have been modelled as vertical but drillholes deviate from planned traces frequently. Actual reef positions may be impacted, and it is not possible to assess the materiality of this impact without either obtaining the original survey data or carrying out additional drilling.
  - Core recoveries are not known, although these are likely to have been acceptable, based on experience at similar projects.
- Element-level assay data (i.e. individual assays for platinum, palladium, rhodium, and gold) are not available, with all of Nkwe's data presented as 4E (platinum, palladium, rhodium, gold). Prill splits and hence basket prices for the Merensky and UG2 have been largely drawn from the Garatau project to the north of the Project. While the Project-specific prill split is unlikely to be significantly different, small variations in prill splits can result in more significant basket price variations given the different prices for each of the constituent elements.
- Structural complexity (pertaining to the orientation of the Merensky Reef and UG2), as modelled from the available drillhole data, is reasonably low. It is possible, particularly given the Project's location adjacent to the Steelpoort Fault and Steelpoort pericline and the relative abundance of IRUP in the Steelpoort Valley, that additional drilling will result in additional structural complexity. Similarly, the impact of a postulated domal structure on Eerste Geluk remains to be determined.
- The structural and dyke models have been generated from information presented by Nkwe and have not been independently verified. As for IRUP, The Competent Person has applied geological losses to mitigate

against reef loss associated with dykes and faults but more precise determinations will require further exploration.

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10 Use of Funds

SPD has proposed work programs for the initial two years after listing that amount to A$13.2 million.

The key initial focus of the work program is to increase the confidence in the area of the UG2 that is less than 500 m below surface. Greater confidence in the Mineral Resources in this area will facilitate downstream mining and economic studies which will allow for the generation of a Mining Works Program and application for a Mining Right at the Project.

The secondary focus of the work program will be to convert Merensky Reef and UG2 Exploration Target material into Inferred Mineral Resources.

Despite the early-stage nature of the Project, its location in a well understood exploration and mining jurisdiction, coupled with the significant continuity of both the Merensky Reef and UG2 in the area have already de-risked the Project, geologically, to a significant extent. Metallurgical testwork is planned to be undertaken in conjunction with drilling program and other studies may include scoping, feasibility, environmental and engineering studies.

The Competent Person has reviewed the exploration program and is of the opinion that it is appropriate, and the funds allocated will be sufficient to commence exploration activities and sustain these over the first two years. Progressive expenditure will naturally depend on the success of the proposed exploration activities. SPD may require additional funding should the outcome of the initial exploration work trigger modifications to the proposed activities.

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11 Conclusions

In the Competent Person's opinion, the Bengwenyama PGE Project has potential for exploration success on both the Merensky Reef and UG2 targets. Despite the original data pertaining to exploration at the Project not being available, the Competent Person has sufficient confidence in the data to support the MRE provided in this ITAR. This confidence is provided by the regional and local consistency of the mineralisation in terms of grade, width and disposition, coupled with the widespread use of industry-standard practices and procedures when the exploration data was being generated. The Project is on strike or nearby to operating mines and advanced exploration and pre-development projects. The Mineral Resource reported at the Project has a high probability of an increase in confidence levels and classification with completion of the work program set out in this document.

Additional recommendations made by the Competent Person include:

- A proportion of samples be assayed using the fire assay with nickel sulphide collection resulting in an assay database comprising a selection of 6E assay results (i.e. platinum, palladium, rhodium, gold, ruthenium, osmium, and iridium). This will provide confidence in the prill split used for basket price determination, with the added benefit of providing a quantitative rhodium assay, compared to the semi-quantitative method that was likely used by Nkwe.
- Given the high volume of IRUP in the Steelpoort Valley, studies should be commissioned to determine its potential extent at the Project.
- Upside potential for base metal credits associated with the PGE mineralisation should be assessed during upcoming work programs.
- Validation and infill drilling should be carried out concurrently, with a tailored drill grid minimising the requirements for validation holes.
- Future drill programs should be designed to generate as much relevant data as possible to support mining study work; these should include geotechnical logging and sampling and hydrogeological data collection.
- Implementation of an industry standard QAQC program.

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13 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia (www.wikipedia.org).

anorthosite	A coarse grained, intrusive igneous rock characterised by its composition: mostly plagioclase feldspar (90–100%), with a minimal mafic component (0–10%).
Archaean	An eon of Earth's history, occurring 4,000 to 2,500 million years ago.
base metal	Industrial non-ferrous metals excluding precious metals. These include copper, lead, nickel, and zinc.
block model	A 3D cell model where each cell/block contains estimates of data, such as element grade, density and other geological or engineering entity values.
calc-silicate	A rock produced by metasomatic alteration of existing rocks in which calcium silicate minerals such as diopside and wollastonite are produced.
Carboniferous	A geologic period that spans 60 million years from the end of the Devonian Period 358.9 million years ago, to the beginning of the Permian Period, 298.9 million years ago.
channel width	Width of the mineralised reef.
chromitite	An igneous cumulate rock composed mostly of the mineral chromite.
craton	The stable interior portion of a continent characteristically composed of ancient crystalline basement rock.
cyclic unit	A single strata of rock within a sequence of sedimentary rocks that are characterised by repetitive patterns of different rock types (strata) or facies within the sequence.
deflection (drilling)	A drillhole which deflects from the parent drillhole at an angle designed to give greater drill coverage of a given target.
diamond drilling	Drilling which uses a rotary drill with a diamond drill bit.
diapir	A relatively mobile mass that intrudes into pre-existing rocks, low-density rock types, such as salt, shale and hot magma commonly intrude vertically through more dense rocks and form diapirs.
disseminated	Texture where fine-grained ore minerals are scattered throughout the rock.
dolerite	The medium-grained equivalent of gabbro.
dunite	An igneous, plutonic rock, of ultramafic composition, with coarse-grained or phaneritic texture.
dyke	A tabular or sheetlike igneous body that is often oriented vertically or steeply inclined to the bedding of pre-existing intruded rocks.
extrusive	Rock that has been extruded at the Earth's surface as lava or other volcanic deposits.
facies	A body of rock with specified characteristics.
fault	A planar fracture or discontinuity in a volume of rock across which there has been significant displacement as a result of rock-mass movements.
fault splay	One of a series of branching synthetic faults near the termination of a major fault which spread the displacement over a large area.
feldspathic	A rock containing the mineral feldspar.
felsic	Rock with high silica (SiO_2) content from 62 wt.% to 78 wt.%.

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folding	A stack of originally planar surfaces, such as sedimentary strata, that are bent or curved during permanent deformation.
Ga	Billion years.
gabbro	A coarse-grained, dark-coloured, intrusive igneous rock.
granite	A coarse-grained igneous rock composed mostly of quartz, alkali feldspar, and plagioclase.
granophyre	A subvolcanic rock that contains quartz and alkali feldspar in characteristic angular intergrowths.
harzburgite	An ultramafic, igneous rock, is a variety of peridotite consisting mostly of the two minerals olivine and low-calcium (Ca) pyroxene (enstatite).
heterolithic	A sedimentary structure made up of interbedded deposits of sand and mud.
hornblende	A general or field term, to refer to a dark amphibole mineral.
ID^2	Inverse distance squared estimation method.
intermediate (rock composition)	Roughly even mixtures of felsic minerals and mafic minerals.
Jurassic	The period of the Mesozoic era between the Triassic and the Cretaceous.
leuconorite	A pale norite – commonly due to relatively larger proportions of plagioclase.
lopolith	A large saucer-shaped intrusion of igneous rock.
mafic	A silicate mineral or igneous rock rich in magnesium and iron.
metasedimentary	Rock of sedimentary origin that has been subjected to metamorphism.
metavolcanic	Rock of volcanic origin that has been subjected to metamorphism.
norite	A coarse-grained plutonic rock similar to gabbro but containing hypersthene.
NQ (core diameter)	Diamond core with 47.6 mm diameter.
Palaeoproterozoic	From 2,500 to 1,600 million years ago, the first of the three subdivisions (eras) of the Proterozoic Eon.
pegmatoid	A pegmatite containing a feldspathoid as an essential constituent.
pericline	A type of crystal twinning which show fine parallel twin laminae typically found in the alkali feldspars microcline.
Permo-Triassic	Boundary between the Permian and Triassic geologic periods, as well as between the Palaeozoic and Mesozoic eras, approximately 251.9 million years ago.
platinum group elements	Include platinum, palladium, rhodium, ruthenium, iridium, and osmium.
platinum group metals	Include platinum, palladium, rhodium, ruthenium, iridium, and osmium.
poikilitic	A textural feature where typically phenocrysts, in an igneous rock which contain small grains of other minerals as inclusions.
pothole (Bushveld geology)	Depressions or slumps on the reef horizon normally existing as severe disruptions which prevent economic extraction.
prill split	Indicates the relative proportions of the various platinum group elements contained in a ton of ore.
pyroxenite	An ultramafic igneous rock consisting essentially of minerals of the pyroxene group, such as augite, diopside, hypersthene, bronzite or enstatite.
quartz	A rock-forming mineral consisting of one part silicon and two parts oxygen SiO_2.
quartzite	A hard, non-foliated metamorphic rock which was originally pure quartz sandstone.
rhyolites	An extrusive igneous rock with a very high silica content.

Sichel t	An estimator generally used for estimating the average grade of an orebody where the distribution of the element sought is lognormal.
sill	A flat sheet-like intrusion.
strike	Indicates the attitude or position of linear structural features such as faults, beds, joints, and folds.
sulphides	Minerals consisting of sulphur with one or more metals.
three-point problem	Given the elevation of three points on a geologic surface such as a formation contact, what is the attitude (strike and dip) of that surface.
titanomagnetite	A mineral containing oxides of titanium and iron, with the formula $Fe^{2+}(Fe^{3+},Ti)_2O_4$.
TNW (core diameter)	Diamond core with 45.3 mm diameter.
top cuts	Process by which outlier samples that do not conform to the distribution of the analysis are capped – by substitution of a selected value based on the distribution.
ultramafic	Igneous rocks composed chiefly of mafic minerals.
wireframe	A skeletal 3D model used to interpret geological features.

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14 Abbreviations and Units of Measurement

°	degrees
°C	degrees Celsius
3D	three-dimensional
3PGE+Au	platinum + palladium + rhodium + gold
4E	platinum + palladium + rhodium + gold
AIG	Australian Institute of Geoscientists
AMIS	African Mineral Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Atlantic	Atlantic Nominees
Au	gold
AusIMM	Australasian Institute of Mining and Metallurgy
BEE	Black Economic Empowerment
cm	centimetre(s)
CRM	certified reference material
CSA Global	CSA Global Pty Ltd
CZ	Critical Zone
DME	Department of Minerals and Energy
DMR	Department of Mineral Resources
DMRE	Department of Mineral Resources and Energy
g/t	grams per tonne
Genorah	Genorah Resources (Pty) Ltd
ha	hectares
ID^2	inverse distance squared
IPO	initial public offering
IRUP	iron-rich ultramafic pegmatite(s)
ITAR	Independent Technical Assessment Report
JSE	Johannesburg Stock Exchange
km, km^2	kilometres, square kilometres
Legacy	Legacy Platinum
LGS	Lebowa Granite Suite
LWUA	Lebelelo Water User Association
m	metre(s)
Minxcon	Minxcon Pty Ltd
mm	millimetre(s)
Moz	million ounces
MPRDA	Mineral and Petroleum Resources Development Act of 2002 (or “the Act”)
MRE	Mineral Resource estimate
Mt	million tonnes
MUM	Miracle Upon Miracle Investments (Pty) Ltd
Nkwe	Nkwe Platinum Limited

Nurinox	Nurinox Investments (Pty) Ltd
oz	ounce(s)
Pd	palladium
PGE	platinum group element
PGM	platinum group metal
Pt	platinum
QAQC	quality assurance and quality control
RC	reverse circulation
Rh	rhodium
RLS	Rustenburg Layered Suite
SCA	Supreme Court of Appeal
SPD	Southern Palladium Limited
t	tonne(s)
t/m^3	tonnes per cubic metre

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Appendix A JORC Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	No information was available regarding sampling techniques; however, it is known that the samples were taken from diamond drill core. Standardised sampling practices exist throughout the platinum group element (PGE) industry in South Africa, and it is highly likely these were followed. The geological and grade data regarding the drillhole intersections was taken from publicly available information.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Diamond drilling was undertaken by Nkwe Platinum Limited (Nkwe); however, no information exists in the public domain as to the type of drilling as well as the diameter etc. of the core drilled. Given practices widely in place in the PGE exploration industry in South Africa, drilling diameter was likely NQ with deflections drilled with TBW bits and core barrels.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	No information exists in the public domain as to the drilling and sampling recoveries of the core drilled, and it is assumed that the information from the public domain used in this report, which has been utilised by other operators to declare Mineral Resources, represents suitable recoveries and hence validity of the data. Core recovery in the Bushveld is generally good.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	No information exists in the public domain as to the method of geological or geotechnical logging. Industry standard logging practices are highly likely to have been used, as confirmed by Mr Nico Denner. Depth to the Merensky Reef and the UG2 and their widths were recorded in Australian Securities Exchange (ASX) press releases.
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	No information exists in the public domain as to the subsampling techniques and sample preparation methodology. Industry standards were likely applied in the sample preparation and analyses, as confirmed by Mr Nico Denner.

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Criteria	JORC Code explanation	Commentary
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples. *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	No information exists in the public domain as to the quality assurance of assay data and laboratory tests. Industry standards were likely applied in the sample preparation and analyses and the assay technique was likely platinum, palladium and gold by routine fire assay with lead collection and semi-quantitative rhodium by fire assay with palladium collection. Mr Nico Denner has confirmed that copper and nickel were analysed but no information was published in the public domain.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	The information is based on publicly available information regarding the Merensky and UG2 intersections in drillholes, and no reference to the original logs is available in the public domain. The data could not be verified against the original logs. It is assumed that all the drillhole results in the public domain represent a complete dataset of all the holes drilled at the Bengwenyama PGE Project ("the Project"), and that no drillholes have been excluded based on their grades and/or widths.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Four drillhole collar locations were observed in the field and their locations plotted in Google Earth for verification. The coordinate system used is LO31. Regional three-dimensional (3D) topography was constructed from regional surface contours and Shuttle Radar Topography Mission (SRTM) data. The surface was trimmed 300–500 m beyond the Project perimeter.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Majority of the drill spacing varies between 400 m and 800 m or 1,000 m and 1,500 m. There are, however, isolated drillholes that are spaced at approximately 280 m as well as 2,000 m. This drill spacing is appropriate to support Inferred Mineral Resources due to the continuous nature of the geology and mineralisation within the Bushveld complex. No information about sample compositing exists in the public domain, it is expected that samples were composited to the thickness of the intersection.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Mineralisation is shallow dipping (10–11°), drilling is assumed to be vertical. Mineralisation was intersected close to the true thickness, so no sampling bias was introduced.

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Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	No reference to the sample preparation, analyses and security measures are available in the public domain. It is assumed that industry standards were applied in the sample preparation and analyses, which has been confirmed by Mr Nico Denner.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of sampling techniques and data were available in the public domain. The Competent Person reviewed the available data in the context of Bushveld Complex mineralisation and verified four drillhole collar locations in the field.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	A Preferent Prospecting Right was granted to the Bengwenyama Tribe's investment vehicle, Miracle upon Miracle Investments (Pty) Ltd in 2015. This was renewed in early 2021 and is valid until February 2024. The Right covers all elements of potential economic interest.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Drilling was undertaken by Rustenburg Platinum Mines from 1966 to 1985. Trojan exploration completed drilling on Eerste Geluk between 1990 and 1993. Drilling prior to 1994 was not used as part of this Mineral Resource estimate (MRE) due to the incomplete nature or availability of the drillhole data. Nkwe completed drillholes in 2007–2008. This drilling supports the MRE. Reconnaissance mapping has been completed by previous operators.
Geology	*Deposit type, geological setting and style of mineralisation.*	The target UG2 and Merensky reefs occur within the Upper Critical Zone of the Rustenburg Layered Suite of the Bushveld Complex. These reefs are laterally continuous for tens to hundreds of kilometres. The UG2 comprises mineralised chromitite, whereas the Merensky Reef is defined as the mineralised pyroxenitic zone between upper and lower chromitite stringers. The Bushveld Complex is the world's largest igneous intrusion and also the largest global repository of PGEs and chromitite. Both reefs are stratiform with relatively minor disruptive structural features and replacement deposits.
Drillhole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* • *easting and northing of the drillhole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar* • *dip and azimuth of the hole* • *downhole length and interception depth* • *hole length.*	Refer to Table 6-1 in the report. It is assumed the widths are downhole lengths and do not reflect true widths of mineralisation. The reef is, however, fairly shallow dipping, and the true width is not expected to be overly different from the drilled intersection lengths. The geological model does however allow for the estimation of the true width.

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Criteria	JORC Code explanation	Commentary
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	It is assumed that samples were composited over the thickness of the reef intersection for produce a single composite for the intersection. Standard practice in the South African PGE industry is to sample both the Merensky and UG2 at 10 cm or 20 cm intervals. Grades are reported as 3PGE+Au (platinum + palladium + rhodium + gold).
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	Mineralisation is shallow dipping. All holes are vertical so the intersection of mineralisation should be near to perpendicular in all cases resulting in intersection lengths close to the true width of the mineralisation.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	The required diagrams are included in this report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Exploration Results reported are in the form of an Exploration Target. No intersections are reported as Exploration Results.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Despite the lack of raw/original data from the exploration program, the reported intersections are consistent in depth, grade and width with those reported from nearby/adjacent operations and exploration projects.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	A 38,000 m drill program is planned to improve confidence in the shallow (<500 m) portions of the UG2, targeting a nominal 4 Moz (4E) as Indicated Mineral Resources, and to upgrade the current Exploration Target to an Inferred Mineral Resource. If successful, the Indicated Mineral Resource will be used as the basis for downstream study work, culminating in a Mining Right Application.

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Section 3: Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used.*	The data was acquired from publicly available information and is assumed to be robust and acceptable. Mr Nico Denner, previous Competent Person in 2008, has confirmed the integrity of the data at the time of his involvement in the project during which time the drilling was conducted.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Mr Geldenhuys (CSA Global Pty Ltd) undertook a site visit to the Project on 9 April 2021, accompanied by a Southern Palladium Limited (SPD) consultant and members of the local community. During the site visit, numerous drillhole collars were observed and positional verification undertaken. The UG2 outcrop on the neighbouring property, Winterveld, was also observed.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The geological interpretation of shallow-dipping reefs is represented in the model. The interpretation is supported by information from surrounding projects and operations, and the available drillhole intersections. Confidence in the geological model is acceptable for Mineral Resource estimation and reporting. The geological model is used as an input to the MRE. Grade and geological continuity are known to be high based on information from surrounding projects and operations.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Mineral Resource is 8 km in length and between 4 km and 6 km wide. The Merensky reef varies in thickness from 0.19 m to 5.22 m, the UG2 reef varies in thickness from 0.2 m to 1.14 m. The maximum depth of the UG2 reef intersections is roughly 1.6 km.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.*	Single domain for each of the Merensky and UG2 reefs which are estimated into two separate block models. Mineralised domain wireframe dissected by later crosscutting faults and dykes. Drill spacing varies from 400 m to 800 m. Three wedges were generally drilled from the parent drillhole. 3PGE+Au is estimated. Original assay values were not available and no QAQC data were available. Intersection data were used for estimation. Missing assays were treated as absent values and ignored for estimation. Length of sample interval (channel width) was estimated using inverse distance squared (ID^2) for a thickness value in the block model. The global mean value was assigned to the model where there were no data. No top cuts applied to grade data; top cut applied to one outlier length data for Merensky – histograms have near normal distribution.

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Criteria	JORC Code explanation	Commentary
	Description of how the geological interpretation was used to control the resource estimates. *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	Relative densities of 3.32 t/m^3 and 3.98 t/m^3 for the Merensky and UG2, respectively, were applied to the estimation. These relative densities were reported in the Nkwe annual report. These densities are deemed to be representative for this deposit based on information from surrounding properties. Variography was undertaken by Minxcon Pty Ltd (Minxcon), no robust variograms were modelled. Search distances for estimation were derived from this study. The Competent Person could not model experimental variograms for grade nor channel width data. An omnidirectional search neighbourhood in the XY plane was applied. UG2 – Search distance of 450 m for grade and 600 m for channel width are used. SVOL2 is 900 m for grade and 1,200 m for channel width. Search distance in Z direction is 5 m. Merensky – Search distance of 700 m for grade and 750 m for channel width are used. SVOL2 is 1,400 m for grade and 1,500 m for channel width. Search distance in Z direction is 5 m. Minimum intersections used were three, maximum intersections were five. Estimation cell size is 250 m x 250 m x 100 m. ID^2 estimator applied in Datamine. Visual and statistical validation is reasonable – swath plots indicate the estimates for grade and thickness are smoothed but acceptable for an Inferred Mineral Resource. The mean grade and length estimates are within 7% of the input intersections. The pay limit grades for the underground accessible Mineral Resource were based upon optimistic mining considerations. The Mineral Resource cut-offs should not be considered in terms of Mineral Reserves, but as a long-term view based on realistic operational and processing costs, as well as long-term projected commodity prices. The pay limit calculated for the Merensky Reef is 1.2 g/t 3PGE+Au, and 2.2 g/t 3PGE+Au for the UG2. The prill splits are based on the surrounding mines, mainly Garatau, which is located to the northwest of the Bengwenyama PGE Project. The metal prices used are the 90th percentile of the historical real term commodity prices since 1980, a US$/ZAR exchange rate of 14.99 was used. The palladium price used is lower than current metal prices but for consistency the 90th percentile for palladium was also used. A geological loss has been applied to the tonnages based on the classification where the Inferred was discounted by 10% and 17% for the Merensky and UG2 reefs, respectively (based on the Nkwe Mineral Resource statements). An Exploration Target is reported within the reef wireframe volumes, beyond the Inferred Mineral Resource. The Exploration Target was estimated using the Sichel t-estimator, which is used for estimating the average grade of an area or volume with limited data. The maximum grades (and

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Criteria	JORC Code explanation	Commentary
		tonnages) correspond to 20% above the Sichel t-estimate and the minimum grades (and tonnages) are reported as being 20% below the Sichel t-estimate. Geological losses of 40% and 35% are applied for the UG2 and Merensky, respectively. The pay limit is the same as that applied for the Inferred Mineral Resource; 2.2 g/t 3PGE+Au for the UG2 and 1.2 g/t 3PGE+Au for the Merensky (3PGE+Au is platinum + palladium + rhodium + gold).
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are reported as dry tonnes.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The pay limit grades for the underground accessible Mineral Resource were based upon realistic mining considerations. The Mineral Resource cut-offs should not be considered in terms of Mineral Reserves, but as a long-term view based on realistic operational and processing costs, as well as long-term projected commodity prices. The pay limit calculated for Merensky Reef is 1.2 g/t 3PGE+Au, and 2.2 g/t 3PGE+Au for UG2.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	Extraction will be by means of underground mining, as is the case for most PGE mines in the Bushveld Complex.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	The Merensky and UG2 reefs will be amenable to commonly used processing methods employed throughout the Bushveld Complex for these same reefs.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	No assumptions have been made regarding environmental factors or assumptions. Studies would be required to understand these risks.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Relative density values used for the Merensky and UG2 are the densities measured and used by Nkwe and are acceptable when considering the relative density values used by other operators throughout the Bushveld Complex.

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Criteria	JORC Code explanation	Commentary
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	Although the available data are acceptable for Mineral Resource estimation and reporting, there is a lack of information about the data. The Competent Person deems that no better than an Inferred Mineral Resource can be reported with the available data, regardless of data spacing. Blocks within the first and second grade estimation search passes were initially classified as Inferred by Minxcon for both Merensky and UG2 reefs. The Competent Person deemed the Merensky classification to be acceptable and comparable with other Bushveld Complex projects and operations. The Competent Person revised the Inferred classification boundary of the UG2 reef with a focus on the spacing of intersections which included grade data. The revised classification increased the continuity in the west and removed isolated material in the southeast. The classification of the UG2 is comparable with other Bushveld Complex projects and operations.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No audits or reviews of sampling techniques and data were available in the public domain. The Competent Person reviewed the available data in the context of Bushveld Complex mineralisation and verified four drillhole collar locations in the field. The Competent Person reviewed the Mineral Resource estimated and reported by Minxcon.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the MRE using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The classification of Inferred Mineral Resources represents a low confidence estimate of the mineralisation. No production data is available to test the accuracy of the MRE, as no mining has taken place on the Property.

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35 YEARS

•1984 - 2019•

Appendix B - Solicitor's Report on Tenements

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FALCON & HUME
ATTORNEYS INC

Southern Palladium Ltd
MNSA
Level 1
283 George Street
Sydney
NSW 2000
Australia

Attention: Mr Mike Stirzaker

20 April 2022

Dear Sirs

TITLE OPINION: PREFERENT PROSPECTING RIGHT HELD BY MIRACLE UPON MIRACLE INVESTMENTS PROPRIETARY LIMITED

1. Introduction

1.1. Falcon and Hume Incorporated ("***FH Inc***") has been requested by Southern Palladium Limited, a public company incorporated in Australia ("***SPL***"), to prepare and issue a limited legal title opinion ("***Title Opinion***") in respect of a preferent prospecting right with reference number LP30/5/1/1002PPR ("***Preferent Prospecting Right***") granted to Miracle Upon Miracle Investments Proprietary Limited, a private limited liability company incorporated in South Africa with registration number 2007/035275/07 ("***MUM***").

1.2. This Title Opinion has been prepared for inclusion in a Prospectus to be issued by SPL in relation to its initial public offer of up to 38,000,000 ordinary shares at an aggregate subscription price of A$19,000,000 and the contemporaneous listing of SPL's securities on the Australian Securities Exchange and the Johannesburg Stock Exchange.

2. Investigation and Verification Process

2.1. In verifying the Preferent Prospecting Right, we requested and were provided with certain documentation from MUM and its representatives.

2.2. The documentation that we considered to be relevant for the purposes of investigating and verifying the Preferent Prospecting Right and rendering the opinions presented in this Title Report are set out in the index attached as **Annexure "A"** ("***Title Documents***").

2.3. Except for the Title Documents and where we have indicated otherwise, we have not made any other enquiries or searches concerning MUM or the Preferent Prospecting Right.[1]

[1] We note that whilst the relevant legislation does theoretically provide a mechanism through which a person can make enquiries with the regulator as to the existence of a mineral right and its holder, practically such enquiries seldom yield a

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3. Relevant Legislation

3.1. The statutory framework regulating the grant and maintenance of rights to conduct prospecting and mining operations in South Africa is the Mineral and Petroleum Resources Development Act, 2002 ("***MPRDA***").

3.2. Whilst prospecting rights are usually applied for in terms of section 16, and granted pursuant to section 17 of the MPRDA, the Preferent Prospecting Right has been granted in terms of section 104 of the MPRDA. Due to the unusual nature of the mineral rights granted in terms of this particular section, section 104 of the MPRDA is extracted in full below:

104 Preferent prospecting or mining right in respect of communities

(1) Any community who wishes to obtain the preferent right to prospect or mine in respect of any mineral and land which is registered or to be registered in the name of the community concerned, must in terms of section 16 or 22 lodge such application to the Minister.

(2) The Minister must grant such preferent right if the provisions of section 17 or 23 have been complied with: Provided that –

(a) the right shall be used to contribute towards the development and the social upliftment of the community;

(b) the community submits a development plan, indicating the manner in which such right is going to be exercised;

(c) the envisaged benefits of the prospecting or mining project will accrue to the community in question; and

(d) …

(e) section 23 (1) (e) and (h) is not applicable.

(3) The preferent right, granted in terms of this section is –

(a) valid for a period not exceeding five years and can be renewed for further periods not exceeding five years; and

(b) subject to prescribed terms and conditions.

(4) The preferent right referred to in subsection (1), shall not be granted in respect of areas, where a prospecting right, mining right, mining permit, retention permit, production right, exploration right, technical operation permit or reconnaissance permit has already been granted.

3.3. The relevant elements of the requirements set out above have been considered in this Title Opinion for the purpose of investigating and verifying the Preferent Prospecting Right.

result and, in the rare instances when they may, the result is usually not within the time frames reasonably required by commercial transactions and processes. It is therefore not unusual in the context of Title Opinions of this nature to rely upon the statements and documentation provided by the holder of the mineral right concerned.

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4. History pertinent to the Preferent Prospecting Right

4.1. The Preferent Prospecting Right, and the land area that it encompasses, has been the subject of fairly significant litigation, some of which has resulted in landmark decisions affecting various sections of the South African mineral right legislation.

4.2. Given that the litigation has in some ways provided guidance on certain elements of the Preferent Prospecting Right, we have provided a brief summary of the historical litigation in **Annexure "B"** ("***Historical Litigation***")

4.3. For the purposes of this Title Opinion, the Historical Litigation provided confirmation regarding the following aspects in relation to the Preferent Prospecting Right:

4.3.1. the Bengwenyama-ye-Maswazi traditional community (also referred to as Bengwenyama-ye-Maswati) ("***Bengwenyama Community***") was the competent applicant for the Preferent Prospecting Right in terms of the requirements of section 104(1) of the MPRDA;

4.3.2. the Bengwenyama Tribal Council was the sole authoritative voice of the Bengwenyama Community and was entitled to apply for the Preferent Prospecting Right on behalf of the Bengwenyama Community;

4.3.3. the Bengwenyama Community was entitled to apply for the Preferent Prospecting Right through a corporate vehicle (and did not have to apply for the Preferent Prospecting Right directly in its own name); and

4.3.4. the ownership interest held by the Bengwenyama Community in relation to the Preferent Prospecting Right may be diluted to a minimum of 26%, provided that it retained certain minority protection rights.[2]

4.4. The fact of the Preferent Prospecting Right having been granted following such protracted and intense litigation and pronounced upon by our most senior Courts provides extremely credible evidence of the Preferent Prospecting Right having been validly and correctly granted to the Bengwenyama Community, through their corporate vehicle, MUM.

5. Preferent Prospecting Right

5.1. <u>Grant</u>

The Preferent Prospecting Right was granted by the Department of Mineral Resources and Energy of the Republic of South Africa ("***DMRE***") in terms of section 104(2) of the MPRDA with DMRE reference number LP30/5/1/1002PPR.

5.2. <u>Holder</u>

5.2.1. The Preferent Prospecting Right was granted to MUM.

[2] In the Historical Litigation, the Supreme Court of Appeal ordered the Minister for Mineral Resources, as he then was, to issue two exclusive prospecting rights in respect of the Eerstegeluk Farm and the Nooitverwacht Farm against proof by MUM that it had amended its shareholders' agreement by substituting the words <u>74.1% (seventy-four point one per cent)</u> for the words <u>70% (seventy percent)</u> in clause 12.2 of that shareholders' agreement, effectively ensuring that Nurinox had a veto right in respect of certain reserved matters. We have received proof of such amendment to the MUM shareholders' agreement having been made.

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5.2.2. The Historical Litigation has confirmed that MUM is a competent holder of the Preferent Prospecting Right.

5.2.3. Based on the share certificates provided to us, we have confirmed that Nurinox Investments Proprietary Limited ("***Nurinox***") is the registered and beneficial holder of 46,463 shares in the issued share capital of MUM (representing 42.81% of the issued shares in MUM).[3]

5.2.4. We have further confirmed that the Bengwenyama Community is the registered and beneficial holder of all of the issued shares in Nurinox.[4]

5.2.5. We have received confirmation that MUM has not encumbered the Preferent Prospecting Right and has not provided any right or entitlement in relation to it to any other person.[5]

5.2.6. Based on the information above, the Bengwenyama Community is the ultimate beneficial holder of an indirect 42.81% ownership interest in the Preferent Prospecting Right, which ownership interest exceeds the minimum ownership interest established in the Historical Litigation referred to in paragraph 4.

5.3. Minerals

The Preferent Prospecting Right was granted in relation to the following minerals: Platinum Group Metals, Gold Ore, Copper Ore, Chrome Ore, Cobalt, Silver and Nickel.

5.4. Area

5.4.1. The Preferent Prospecting Right is in relation to the following land areas: (i) the Farm Eerstegeluk 327 KT (Previously Known as "Eertegeluk" 322KT) ("***Eerstegeluk Farm***"); and (ii) the Farm Nooitverwacht 324KT ("***Nooitverwacht Farm***"), both situated in the Magisterial/Administrative District of Sekhukhune, Limpopo Province of South Africa, measuring 5279.74 hectares.

5.4.2. The Historical Litigation has confirmed that the Bengwenyama Community is the lawful occupier (although not the registered landowner) of these property areas that are the subject of the Preferent Prospecting Right.

5.5. Duration

5.5.1. The Preferent Prospecting Right was granted for an initial period of 5 years commencing on 10 June 2015 and ending on 09 June 2020 ("***Original Period***").

5.5.2. The Preferent Prospecting Right was renewed for a further period of 3 years commencing on 13 February 2021 and ending on 12 February 2024 ("***Renewal Period***").[6]

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[3] A further 4,537 shares are registered in the name of Nurinox but we understand that Nurinox holds these shares as nominee for and on behalf of ZTM Brokers CC as the beneficial owner.

[4] Share Certificate number 3 is issued to the Bengwenyama-Ye-Maswazi Traditional Council in respect of 100 ordinary shares.

[5] Confirmation was provided to us by way of a duly signed Officer's Certificate dated 20 April 2022 ("***Officer's Certificate***").

[6] In terms of clause 3.3 of the Preference Prospecting Right, MUM was required to submit an application for renewal to the office of the Regional Manager not later than 60 working days prior to the date of expiry of the Preferent Prospecting Right. The date of expiry of the Preferent Prospecting Right was 9 June 2020. This means that the application for renewal should have been submitted by no later than 11 March 2020 (if 9 June 2020 is excluded from the date of calculation). Given that the

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5.5.3. In terms of section 104(3)(a) of the MPRDA, a preferent right (irrespective of whether it is a prospecting right or a mining right) is valid for a period not exceeding 5 years and can be renewed for further periods not exceeding 5 years and is otherwise subject to prescribed terms and conditions. It bears mentioning that a prospecting right granted to the holder thereof pursuant to section 17 of the MPRDA, may, in terms of section 18(4) of the MPRDA, only be renewed once for a period not exceeding 3 years, whilst section 104(3)(a) provides that a preferent prospecting right may be renewed for further periods not exceeding 5 years. The implication is that the Preferent Prospecting Right may seemingly be renewed indefinitely.

5.6. Registration

5.6.1. The Preferent Prospecting Right in relation to the Original Period was notarially executed on 10 June 2015 and registered at the Mineral and Petroleum Titles Registration Office ("***MPTRO***") on 14 September 2017 under MPTRO reference number MPT 74/2017.[7]

5.6.2. The Renewal of the Preferent Prospecting Right was notarially executed on 23 April 2021 and registered at the MPTRO on 17 May 2021 under MPTRO reference number 16/2021.

5.7. Compliance with the terms and conditions of the Preferent Prospecting Right

5.7.1. *Commencement of Operations*

5.7.1.1. In terms of section 3.2 of the Preferent Prospecting Right, MUM must commence with its prospecting operations within 120 days from the date on which the Preferent Prospecting Right became effective in terms of section 17(5) of the MPRDA, or a later date as may be authorised in writing by the Minister in terms of the MPRDA, failing which the Preferent Prospecting Right may be cancelled or suspended.

5.7.1.2. We have received confirmation that MUM has commenced its prospecting operations timeously and that it has carried out its prospecting operations in accordance with the prospecting work programme, including the prospecting work programme submitted in support of the application for the renewal of the Preferent Prospecting Right, as contemplated in section 18(2)(d) of the MPRDA.[8]

5.7.2. *Prospecting Fees*

5.7.2.1. In terms of section 5.1 of the Preferent Prospecting Right, MUM must pay prospecting fees pursuant to section 19(2)(f) of the MPRDA in accordance with Regulation 76.

5.7.2.2. We have been provided with a reconciliation of payment of prospecting fees for the years 2015, 2016, 2017, 2018, 2019 and 2020. While payment was made late for purposes of year 1 (payment was due by 10 July 2015, but was made on 28 July

Preferent Prospecting Right was renewed, we have no reason to believe that the renewal application has not met the requirements of the DMRE.

[7] Section 19(2)(a) of the MPRDA provides that registration of the notarially executed right must occur within 60 days after the right has become effective. Whilst late registration may constitute an offence under the MPRDA, it does not necessarily affect the validity of the right concerned.

[8] Confirmation was provided to us in the Officer's Certificate.

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2015) but, in view of the Preferent Prospecting Right having been successfully renewed in February 2021 we therefore assume that such late payment was accepted.

5.7.3. *Annual Progress Report*

5.7.3.1. In terms of section 13.2 of the Preferent Prospecting Right, MUM must annually furnish the Regional Manager with progress reports pursuant to section 21(1)(b) of the MPRDA in such a manner and on such timeframes as prescribed by Regulation 8. In this regard, Regulation 8 requires the holder of a prospecting right to submit a progress report every 12 months from the date of the granting of a prospecting right.

5.7.3.2. While a technical analysis of the substance and content of the annual progress reports falls outside of the scope of this Title Opinion, we confirm that we have received a copy of the Annual Progress Reports for each of the years 10 June 2015 to 9 June 2016, 10 June 2016 to 9 June 2017, 10 June 2017 to 9 June 2018 and 10 June 2018 to 9 June 2019. We have been advised that the Annual Progress Report in respect of the 2020/2021 year was submitted by MUM to the DMRE as part of the renewal of the Preferent Prospecting Right. We have received the Annual Progress Report for the period 13 February 2021 to 12 February 2022.

5.7.3.3. We have received confirmation that MUM has duly submitted each of these annual progress report for the duration of the Preferent Prospecting Right.[9]

5.7.4. *General*

5.7.4.1. We have received confirmation that MUM (i) is in compliance with its obligations in terms of the Preferent Prospecting Right, the MPRDA and other applicable legislation; (ii) MUM has not received any notices issued by the Minister in terms of section 47 of the MPRDA to suspend or cancel the Preferent Prospecting Right and is not aware of any circumstances in which it might be in breach of any of the terms of the Preferent Prospecting Right.[10]

6. Environmental Management Plan

6.1. We have been provided with a copy of the Environmental Management Plan dated 21 January 2011 in respect of the Eerstegeluk Farm, the Nooitverwacht Farm and "*Ptn RE and 1 Eerstegeluk 322KT*" submitted in support of an application for a prospecting right in terms of section 104 of the MPRDA ("***EMP***").[11]

6.2. In terms of section C7 of the EMP, the calculation of the financial provision as security for the rehabilitation of damage caused by the prospecting operations is an amount of R116,935.50.

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[9] Confirmation was provided to us in the Officer's Certificate.
[10] Confirmation was provided to us in the Officer's Certificate.
[11] We have been informed by MUM that the farm Eerstegeluk 322 KT was reassigned as Eerstegeluk 327KT. We have further been informed that the declaration of a township will not affect the exploration activities and that all drillholes falling within the declared township will be moved.

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6.3. We have been provided with a Financial Guarantee for the Rehabilitation of Land Disturbed by Mining issued by Rand Merchant Bank dated 5 March 2015 with Guarantee Number G0657/563238/GLO in the amount of R146,448.10.[12]

7. Surface Rights

7.1. Applicable provisions of the MPRDA regarding surface rights access

7.1.1. In terms of section 5(3)(a) of the MPRDA, any holder of a prospecting right[13] may enter the land to which such right relates together with his or her employees, and bring onto that land any plant, machinery or equipment and build, construct or lay down any surface, underground or under sea infrastructure which may be required for the purpose of prospecting, mining, exploration or production, as the case may be.

7.1.2. In terms of section 54(1) of the MPRDA, the holder of a prospecting right must notify the relevant Regional Manager if that holder is prevented from commencing or conducting any prospecting operations because the owner or the lawful occupier of the land in question (i) refuses to allow such holder to enter the land; (ii) places unreasonable demands in return for access to the land; or (iii) cannot be found in order to apply for access. Section 54 then prescribes a process that must be followed to resolve such dispute. In addition, in terms of section 54(4) of the MPRDA, as read with section 54(7) of the MPRDA, the owner or lawful occupier of the land on which the prospecting operations will be conducted must be compensated for any loss or damage that he has suffered or is likely to suffer as a result of such prospecting operations.

7.1.3. Notwithstanding the provisions of the MPRDA, in practice, in South Africa, the holders of mineral rights typically conclude surface rights usage and access agreements with the owners or lawful occupiers of the land over which their mineral rights have been granted to regulate on a contractual basis their access to the land and the compensation payable to the owner or lawful occupier.

7.1.4. Although not a legal requirement, the reason for this is to mitigate the potential for disputes and disruptions to prospecting or mining operations, particularly in circumstances where the land is owned or occupied by rural communities. The compensation payable to the landowner or land occupier is essentially a commercial discussion and is usually determined with reference to factors such as the inconvenience suffered by the landowner or land occupier or the income which is being forfeited as a result of the prospecting or mining operations. In circumstances where the mining or prospecting rights holder and the land owner are unable to agree on the appropriate compensation amount, the applicable mining law provides for an arbitration mechanism to determine the compensation payable. In the circumstances of this project, the local community is in the position of being both the land occupier (with the registered title of the land being held by the State as custodian on behalf of that local community) and a material shareholder in the project and, as such, are

[12] In terms of the Environmental Management Plan Performance Assessment Report, submitted in support of a granted Preferent Prospecting Right, dated March 2020, the financial provision (based on 42 drilling holes) amounts to **R116,935.50**. We have not been provided with an explanation for the increased financial provision in the amount of **R146,448.10** in place.

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incentivised to reach agreement for appropriate land access arrangements in order for the project to be developed.

7.1.5. We have been advised that negotiations in relation to the surface access arrangements for the project have commenced and are currently on-going.

7.2. Surface Rights Ownership in relation to Preferent Prospecting Right area

We set out below a summary of the owners of the land over which the Preferent Prospecting Right has been granted:

Description of the Property	**Size**[14]	**Registered Owner**
Eerstegeluk 327KT (Portion 0)	2174.1312 hectares	National Government Republic of South Africa
Eerstegeluk 327KT (Portion 2)	109.1635 hectares	Greater Tubatse Municipality
Eerstegeluk 327KT (Portion 3)	25.9570 hectares	Greater Tubatse Municipality
Nooitverwacht 324 (Portion 1)	1386.2471 hectares	National Government Republic of South Africa
Nooitverwacht 324 (Portion 2)	1585.3950 hectares	National Government Republic of South Africa

7.3. Land Claims

7.3.1. We have received a memorandum of acceptance of the claim by the Regional Land Claims Commissioner in terms of the provisions of sections 2 and 11 of the Restitution of Land Rights Act, 1994 over all portions of the farm Eerstegeluk 327 KT with reference number KRP no:3803 ("***Land Claim***"), together with written confirmation dated 28 September 2011 from the Chief Director: Restitution of the Office of the Regional Land Claims Commissioner: Limpopo to confirm that the Office of the Regional Land Claims Commissioner: Limpopo has investigated the Land Claim and that the research report has been approved.

7.3.2. An analysis of the validity of the Land Claim falls outside of the scope of this Title Opinion, however, the Supreme Court of Appeal held in the Historical Litigation that "[i]*n the present case there is no indication of any result other than a successful land claim by the* [Bengwenyama Community], *with the land ultimately being registered in the name of the*

[14] The total area of the Farms is an area of 5280.8938 hectares, while the Preferent Prospecting Right area is set out as 5279.74 hectares. We have not been advised whether there is any significance to the discrepancy.

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[Bengwenyama Community]. *There is no question on the record of alternative land being granted. The high court cannot be faulted for its conclusion that a successful land claim is 'almost guaranteed' with restoration and registration being the ultimate result*."[15] As a result, we have not investigated the prospects of success of the Land Claim.

7.4. Surface Rights Access

Although it is customary for the holders of mineral rights to conclude surface rights usage and access agreements with the owners or lawful occupiers of the land, based on the Historical Litigation we understand that the Bengwenyama Community is the lawful occupier of the land that is the subject of the Preferent Prospecting Right and therefore is unlikely to face any challenge from the registered landowners referred to in the table above.

7.5. Township Declaration

7.5.1. We note that, according to the Local Authority Notice 53 published in Provincial Gazette No. 2513 dated 29 May 2015 ("***Notice***"), a portion of Portion 2 of the Farm Eerstegeluk 327 KT was declared to be a formal township, namely Ga-Mapodila-A, subject to the land use conditions imposed either in terms of the Upgrading of Land Tenure Act, 1991, in the township registered, and/or individual title deeds of erven of the township. In terms of the Notice, amongst other things:

7.5.1.1. the township is exempted from obtaining permission of mineral right holders, as no mineral rights have been reserved in the relevant title deeds; and

7.5.1.2. the township is exempted from obtaining environmental authorisation from the controlling entity in respect of any environmental impact assessment contemplated in NEMA.

7.5.2. Given that the land over which this township was declared forms a part of the land area that is the subject of the Preferent Prospecting Right, this declaration will have to be taken into account in relation to future prospecting (and, if applicable, mining) operations undertaken by MUM.

[15] See paragraph 60 of *Bengwenyama-Ya-Maswazi Community and Others v Genorah Resources (Pty) Ltd and Others* 2015 (1) SA 219 (SCA).

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8. Conclusion

8.1. Subject to the assumptions, qualifications and limitations set out in **Annexure "C"**, as at the date of this Title Opinion, we are of the opinion that:

8.1.1. the Preferent Prospecting Right was validly granted to MUM on the terms set out therein;

8.1.2. the Preferent Prospecting Right entitles MUM to prospect for Platinum Group Metals, Gold Ore, Copper Ore, Chrome Ore, Cobalt, Silver and Nickel on the Eerstegeluk Farm and the Nooitverwacht Farm;

8.1.3. MUM is in compliance with the terms of the Preferent Prospecting Right;

8.1.4. MUM holds unencumbered title to the Preferent Prospecting Right; and

8.1.5. the Prospecting Right is in good standing, in full force and is fully exercisable.

Falcon & Hume Incorporated

Per: Estelle Hayes (Director)

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Annexure A: Title Documents

[refer to the index attached to the final legal due diligence report]

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Annexure B: Historical Litigation

1. General

MUM, and the Prospecting Right that it holds, have been the subject of fairly substantial litigation.

2. Constitutional Court case

2.1 In *Bengwenyama Minerals (Pty) Ltd and Others v Genorah Resources (Pty) Ltd and Others*[16] the Constitutional Court of the Republic of South Africa held, amongst other things, that the granting and execution of prospecting rights is a grave invasion of a property owner's rights.

2.2 The Constitutional Court held that the purpose of consultation with landowners (being, in this case, the Community), required by the MPRDA, was to provide them with the information necessary to make an informed decision on how to respond to the application.

2.3 The Constitutional Court, per Froneman J, concluded that Genorah Resources (to whom the prospecting right had been granted) had not consulted with the Community as required by the MPRDA, that the decision-maker had not given the Community a hearing or complied with the fairness requirements of the Promotion of Administrative Justice Act, and that the environmental requirements in terms of the MPRDA had not been satisfied.

2.4 Accordingly the Community had not been treated as required by the Constitution. The awards of prospecting rights on the Community's land were set aside.

3. Supreme Court of Appeal – First Case

3.1 Bengwenyama-ya-Maswazi Community and Others v Genorah Resources and Others[17], was the first of two related judgments ("**First Bengwenyama SCA Case**").

3.2 In this case, the appellants were the Community, its tribal council and MUM. The respondents were the Minister of the DMR (as it was then)(first respondent), the DMR (second respondent), two alleged representatives of the Community (third and fourth respondents); and Genorah Resources (fifth respondent).

3.3 The Community alleged that an application for a preferent prospecting right over the farm Nooitverwacht had been fraudulently submitted in its name by the third and fourth respondents, who had no right to speak on its behalf. The Community asked the High Court to set aside the fraudulently obtained preferent prospecting right, which awarded joint prospecting rights to MUM and the Community and to instead grant one exclusively to MUM as the Community's representative.

3.4 Genorah Resources brought a counter-application for an order declaring that MUM was not "a community" and therefore not entitled to a preferent prospecting right.

[16] 2011 (4) SA 113 (CC).
[17] 2015 (1) SA 197 (SCA).

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3.5 The High Court refused to set aside the Minister's joint award, declaring it to be justified on the facts and dismissed the counter-application on the ground that the Community was perfectly entitled to pursue its application through a corporate vehicle.

3.6 In this appeal and cross-appeal to the SCA the principal issue was whether MUM, as corporate entity, was entitled to a preferent prospecting right.

3.7 The SCA held that the question was not whether MUM was entitled to a preferent prospecting right but whether the community was entitled to it, using MUM as a vehicle. In this regard, section 104(2) had to be purposefully interpreted to facilitate the Community's participation in the mining industry, which in turn required outside technical and financial assistance. Since the Community had overwhelmingly endorsed using MUM as a vehicle for the acquisition of a preferent prospecting right, MUM's application was in substance one by the Community itself. Though the question whether the requirements of s.104(2) of the MPRDA were met depended in part on the extent of the Community's shareholding in MUM, the Community's interests were adequately protected by the proposed amendment to the Shareholders' Agreement. Accordingly the Minister's decision was set aside and replaced with one awarding MUM the Prospecting Right, subject to the suggested amendment of the Shareholders' Agreement.

4. Supreme Court of Appeal – Second Case

4.1 Bengwenyama-ya-Maswazi Community and Others v Genorah Resources (Pty) Ltd and Others[18] was the second of the two related judgments.

4.2 In this case, the appellants were the Community, its tribal council and MUM. The respondents were the Roka Phasha community (second respondent), its traditional council (third respondent) and its corporate vehicle, Genorah Resources (first respondent). The Minister was cited as fourth respondent.

4.3 The Community and the Roka Phasha community had lodged competing applications for a preferent prospecting right over the farm Eerstegeluk. The Minister granted the Roka Phasha/Genorah application and refused the Community/MUM application.

4.4 The Community, claiming that it was the rightful owner of Eerstegeluk and hence entitled to a preferent prospecting right over it, asked the High Court to set aside the Minister's decision. The Community referred the court to the Community's historical ties to the farm and to a land claim it had lodged in respect of the farm. They complained that the Minister had refused to hear their representations, arguing that this ran counter to a Constitutional Court decision to assist the Community. According to the Community, the Minister and the DMR were in collaboration with Roka Phasha/Genorah and biased against the Community. The High Court reversed both the Minister's decisions on the ground that they were premised on false claims by the respondents. The High Court did not, however, grant an order awarding MUM an exclusive preferent prospecting right and instead referred the matter back to the Minister.

[18] 2015 (1) SA 219 (SCA).

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4.5 In the appeal and cross-appeal, the SCA held that:

4.5.1 the absence of the Community holding the registered title over the relevant land did not militate against the grant of a preferent prospecting right to MUM and a preferent prospecting right could be granted in respect of land that was 'registered or to be registered' in the name of the Community, and there was no indication of any result except success for the Community's land claim;

4.5.2 the Bengwenyama tribal council had statutory existence and locus standi. It was the sole authoritative voice of the Bengwenyama community and was entitled to apply for a preferent prospecting right on its behalf;

4.5.3 the Community's interests were protected by the suggested Shareholder's Agreement between it and MUM, and the requirements of s 104(2) were met;

4.5.4 since the Minister and the DMR had shown bias and incompetence in making their decision, the matter would not be referred back to them and the decision of the High Court had to be replaced by one awarding a preferent prospecting right to MUM setting aside the preferent prospecting right awarded to the respondents.

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Annexure C: Assumptions, Qualifications and Limitations

1. Assumptions

1.1. This Title Opinion has been prepared on the following assumptions:

1.1.1. all documents submitted and shown to us as originals were authentic and all copies of documents provided to and examined by us were true and complete in all respects and in conformity with the originals of such documents (and where multiple copies of a document has been provided to us, all such copies are identical);

1.1.2. all information and documentation supplied to us or reviewed by us in connection with the preparation of this Title Opinion were and remain true and complete and are not misleading;

1.1.3. the parties to all agreements shown to us were, and at all material times remained, duly incorporated and had all necessary corporate power, capacity and authority (which authorisation/s was/were validly obtained) to enter into and conclude the Title Documents;

1.1.4. each of MUM and Nurinox has been duly incorporated and registered in the Republic of South Africa in terms of the South African Companies Act, 2008, as amended (the "***Companies Act***") and each is in good standing;

1.1.5. all signatures, dates, stamps, seals and other markings on all agreements are authentic and all signatories to all agreements and other documents provided to us were duly authorised to sign them;

1.1.6. that the Title Documents are comprehensive and complete and constitute all of the documentation which is available and necessary to consider and to render this Title Opinion;

1.1.7. that none of the parties to the Title Documents are or have been subject to or responsible for any duress or undue influence, misrepresentation, mistake, corruption, collusion or any other circumstances that in law (whether in the Republic of South Africa or elsewhere) would or may render any of the Title Documents void and/or unenforceable;

1.1.8. that the conclusion and entry into of any of the Title Documents is not and would not be deemed to be a fraudulent practice and that all such Title Documents were entered into in good faith;

1.1.9. all agreements are legally enforceable under the law chosen as being the governing law pertaining to such agreements and have been duly executed in accordance with such law (except where noted to the contrary) and by the courts of the jurisdiction chosen in those agreements as the forum for the determination of all disputes arising thereunder and the opinions expressed in this Title Opinion are not adversely affected by the laws of any jurisdiction, other than those of South Africa;

1.1.10. that any searches made of public registers or court registers undertaken by us or provided to us in connection with the preparation of this Title Opinion are accurate at the date the relevant searches were undertaken, but are subject to the same disclaimer as made by

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the authorities who provide the relevant information;

1.1.11. any and all representations expressed in or implied by any of the Title Documents submitted to FH Inc for purposes of preparing this Title Opinion are true, complete and accurate;

1.1.12. that no review applications or proceedings have been instituted for the review or setting aside of any of the Title Documents reviewed;

1.1.13. that no proceedings have been instituted and no other steps have been taken for the winding-up, business rescue, provisional or final liquidation of or for the appointment of an administrator, judicial manager or liquidator in respect of or in relation to MUM; and

1.1.14. that no order has been made or issued by a court of any other similar competent authority in relation to the winding-up, business rescue, liquidation or administration of MUM.

2. Qualifications

2.1. This Title Opinion is subject to the following qualifications:

2.1.1. this Title Opinion is given only:

2.1.1.1. with respect to South African law in force as at the date of this Title Opinion, as applied by the South African courts; and

2.1.1.2. in the context of practices and standards developed under South African law which have been applied and observed in light of FH Inc's experience as attorneys practising in the Republic of South Africa;

2.1.2. no opinion is expressed or implied as to the laws of any jurisdiction other than the Republic of South Africa and FH Inc does not hold itself to be an expert on, or even generally familiar with, any laws other than the laws of the Republic of South Africa;

2.1.3. no opinion is expressed or implied on any legal matters other than in respect of the Preferent Prospecting Right held by MUM in the Republic of South Africa under South African law;

2.1.4. no opinion is expressed or implied on the legal compliance of MUM with its memorandum of incorporation, any matters relating thereto and/or its obligations in terms of the Companies Act;

2.1.5. no opinion is expressed or implied as to the possible commercial, technical, financial or tax consequences of any particular arrangement and/or agreement and no opinion is expressed in relation to the content of technical documentation including, but not limited to, prospecting work programmes and/or environmental management plans;

2.1.6. save as expressly stated above, FH Inc did not investigate or confirm, and thus makes no comments or assessments and, unless expressly stated, expresses no views on, the compliance or failure by MUM to comply with the terms, conditions, rights and obligations of any right, permit, permission, authorisation, licence or agreement cited or referred to in

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this Title Opinion;

2.1.7. FH Inc did not investigate and has not expressed any view on MUM's compliance or lack thereof with black economic empowerment as contemplated in section 2(d) and (f) of the MPRDA and the Mining Charter, or any amendment thereto;

2.1.8. although FH Inc has reviewed, commented and reported on title in and to the Preferent Prospecting Right, FH Inc cannot confirm that all requisite permits, licences, consents, approvals, authorisations, certificates, applications, registrations and declarations have been issued to or obtained by the holder of such rights;

2.1.9. FH Inc shall not be liable for any inaccuracies in the Title Opinion arising from the actions and/or omissions and/or wilful statements or representations on the part of MUM and/or SPL and/or any of their officers, representatives or agents which may take place or which may be made in connection with the preparation and/or rendering of this Title Opinion;

2.1.10. any views which are expressed in respect of, or on the basis of, any law, statute, regulation or similar rules, are expressed in respect of the relevant law, statute, regulation or similar rules as it was in force, and on the basis of the provisions hereof, at the date of this Title Opinion; and

2.1.11. equitable remedies such as interdicts or orders for specific performance are discretionary and will not be granted automatically by a South African court and such remedies will only be granted if certain requirements are satisfied. Nothing in this Title Opinion is to be taken as indicating that such remedy would be available in respect of the obligations of any party under the Title Documents.

3. Limitations

3.1. FH Inc will have no liability of any nature, whether in contract, delict or otherwise, for any losses, damages, costs or expenses ("***losses***") whatsoever and howsoever caused arising from or in any way connected with Title Opinion, except where such losses are caused by FH Inc's gross negligence or wilful default.

3.2. FH Inc does not assume any responsibility to any parties other than SPL in respect of the contents of this Title Opinion and any person other than SPL who chooses to rely in any way on the contents of this Title Opinion does so entirely at their own risk.

3.3. This Title Opinion is given solely in connection with the Title Documents relating to the Preferent Prospecting Right held by MUM to and for the benefit and information of SPL.

3.4. The findings in this Title Opinion are given as at the date hereof for the sole benefit of SPL and may not be relied upon by any person other than SPL or relied on for any other purpose and, except as set out in paragraph 1.2 of this Title Opinion, may not be quoted or referred to in any public document or filed with any government agency or other person without FH Inc's prior written consent.

Application Form

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