29 January 2024

ASX:SPD, JSE:SDL

ACN: 646 399 891

Corporate Directory

Chairman
Roger Baxter

Managing Director
Johan Odendaal

Non-Executive Directors
Mike Stirzaker
Rob Thomson
Daan van Heerden
Geoff Hiller

Company Secretary
Andrew Cooke

Top 5 Shareholders

Nicholas Daniel Resources Pty ltd
Nurinox Investments Pty Ltd
Robert Keith
Legacy Platinum Corporation
Regal Partners

Company Overview

Dual-listed platinum group metal (PGM) company developing the advanced Bengwenyama PGM project, particularly rich in palladium/rhodium, located in South Africa's prolific Bushveld Complex.

Contact:

E: info@southernpalladium.com
W: www.southernpalladium.com

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Quarterly Activities Report for 31 December 2023

DECEMBER QUARTER HIGHLIGHTS

Operational:

- **Mineral Resource Upgrade, increasing the total UG2 and Merensky Reef (MR) Mineral Resource ounces (Indicated and Inferred) to 26.22 Moz (6PGE + Au or 7E).**
- **The UG2 Indicated Mineral Resource for the Bengwenyama project doubles to 5.40 Moz (4E) or 6.52 Moz (7E) at a grade of 8.08 g/t and 9.75 g/t respectively. Total UG2 Mineral Resource ounces (Indicated and Inferred) at 12.99 Moz (4E) and 15.72 Moz(7E).**
- **Formal notification from the Department of Mineral Resources and Energy (DMRE) received, confirming the acceptance of Southern Palladium's Mining Right application.**
- **Geotechnical Study commissioned by independent consulting group, OHMS, which confirmed the suitability of established mining methods and mine design parameters that are consistent with existing PGM production mines in the Bushveld Complex.**
- **Metallurgical testing results indicated that Ore from the UG2 reef can be treated with recovery rates of between 80% to 85% with conventional extraction methods that are used across the Bushveld Complex – a key step in the project's development from exploration to mine development.**
- **Mineral resource upgrade, confirmation of mine design parameters and metallurgical test results will form part of an updated Scoping Study, which is now underway.**
- **Drill program remains ongoing post quarter-end, with a focus on infill drilling to convert additional resources from Inferred to Indicated.**

Corporate:

- **Mr Roger Baxter appointed as Non-Executive Chairman, effective 1 January 2024.**
- **As at 31 December 2023, Southern Palladium held approximately $8.34 million (30 September 2023: $9.98 million) in cash. This figure excludes cash held by the Company's 70% subsidiary, Miracle Upon Miracle Investments (Pty) Limited at 31 December 2023 of $0.566 million (30 September 2023: $0.632 million).**

Southern Palladium (ASX: SPD, "Southern Palladium" or the "Company") is pleased to announce its quarterly activities summary for the three months ended December 31, 2023.

The Company's primary focus during the quarter was the ongoing advancement of its exploration programme at the Bengwenyama PGM (platinum group metals) project, in which it holds a direct 70% stake.

Southern Palladium remains well-funded to continue its exploration programme at Bengwenyama and complete its Pre-feasibility study. After successful wider spaced drilling earlier in 2023, Q4 2023 saw the conversion of Inferred Mineral Resources to Indicated Mineral Resources in the shallower areas of the orebody, along with the establishment of mine design parameters and the confirmation of processing recoveries. These results will inform the upcoming Scoping Study and Pre-Feasibility Study as the Company transitions from exploration to development.

Overview of December Quarter Activities

PFS drill programme

The planned conversion of the shallow eastern portion of the Eerstegeluk UG2 Reef to an Indicated Mineral Resource has resulted in a second Mineral Resource update for the UG2 Reef (*refer ASX Announcement 7 December 2023*). The UG2 Indicated Mineral Resource has increased by 104% to 5.40 Moz at a 3PGE + Au (4E) grade of 8.08 g/t and 6.52 Moz at a 6PGE + Au grade (7E) of 9.75 g/t.

The latest drilling focused on the conversion of the UG2 Inferred Mineral Resources to Indicated Mineral Resources in the south-east portion of the Eerstegeluk farm (refer *Figure 3*). The total Mineral Resource (Indicated and Inferred) for the UG2 Reef has seen an increase of 7.9% from 12.04 Moz to 12.99 Moz (4E). The Merensky Reef is largely unchanged.

Table 1 in Appendix 2 shows the consolidated UG2 Mineral Resource as at 1 December 2023. Consistent with the previous Mineral Resource update (refer ASX Announcement 30 May 2023), geological losses have been applied and the resource is declared at a pay limit of 1.9 g/t using a 4E basket price of US$2,654/oz. Importantly, no Mineral Resource falls below the pay limit. It is envisaged that the resource mining cut will be around 1 metre based on the observation that chromitite stringers are commonly absent in the drilled area, and by comparison with other mines in the area. The full mining width will be determined as part of future mining studies and will incorporate dilution by low or nil grade hanging wall and footwall dilution.

The combined Indicated Mineral Resource for the project, on a 7E basis, is now 8.43 Moz ounces with a combined Inferred Mineral Resource of 17.80 Moz. The total Mineral Resource (Indicated and Inferred) for both Reefs is now 26.22 Moz. These Mineral Resources include 15.72Moz indicated and inferred for the UG2 reef.

UG2 Mineral Resource Estimation

The UG2 geological and estimation models have been updated to include drilling and assaying data as at end of October 2023. The estimation model utilised 59 drillholes with complete UG2 intersections (*Figure 1*). The Mineral Resource was estimated using Ordinary Kriging. *Figure 1* shows the 4E g/t resultant model with the drillhole positions used in the estimation. No capping was applied to the estimation and the kriging neighbourhood analysis (KNA) recommended a block size of 350m with a minimum and maximum number of samples of 5 and 15 respectively for the first search volume. Three search volumes with decreasing samples were used for the estimation. All elements (Pt, Pd, Rh, Au, Ir, Os, Ru, Cu, Ni, Cr and Fe) were estimated individually as well as a combined 4E (Pt, Pd, Rh & Au) and 7E (Pt, Pd, Rh, Ir, Os, Ru & Au). The average 4E prill splits for Pt:Pd:Rh:Au of 45.5% : 43.6% : 9.5% : 1.4% were determined using these estimates. The Cr:Fe ratio of the UG2 chromitite horizon, from modelled Cr and Fe analysis, is 1.21. A density of 3.93 t/m3 was used in the tonnage estimate.

There has been an increase in the average grade of the project, due to the additional reef intersections obtained during the recent drilling. This resource estimate is based on 59 drillhole intersections compared to the 34 drillhole intersections in the previous estimate. The arithmetic mean of the 4E and 7E grades increased from 7.71 g/t to 8.20 g/t and from 9.35 g/t to 9.88 g/t respectively. This grade increase has translated into the resource model. The areas of higher grade can be seen in the area around the edge of the dome structure in the southeast (see *Figure 1*).

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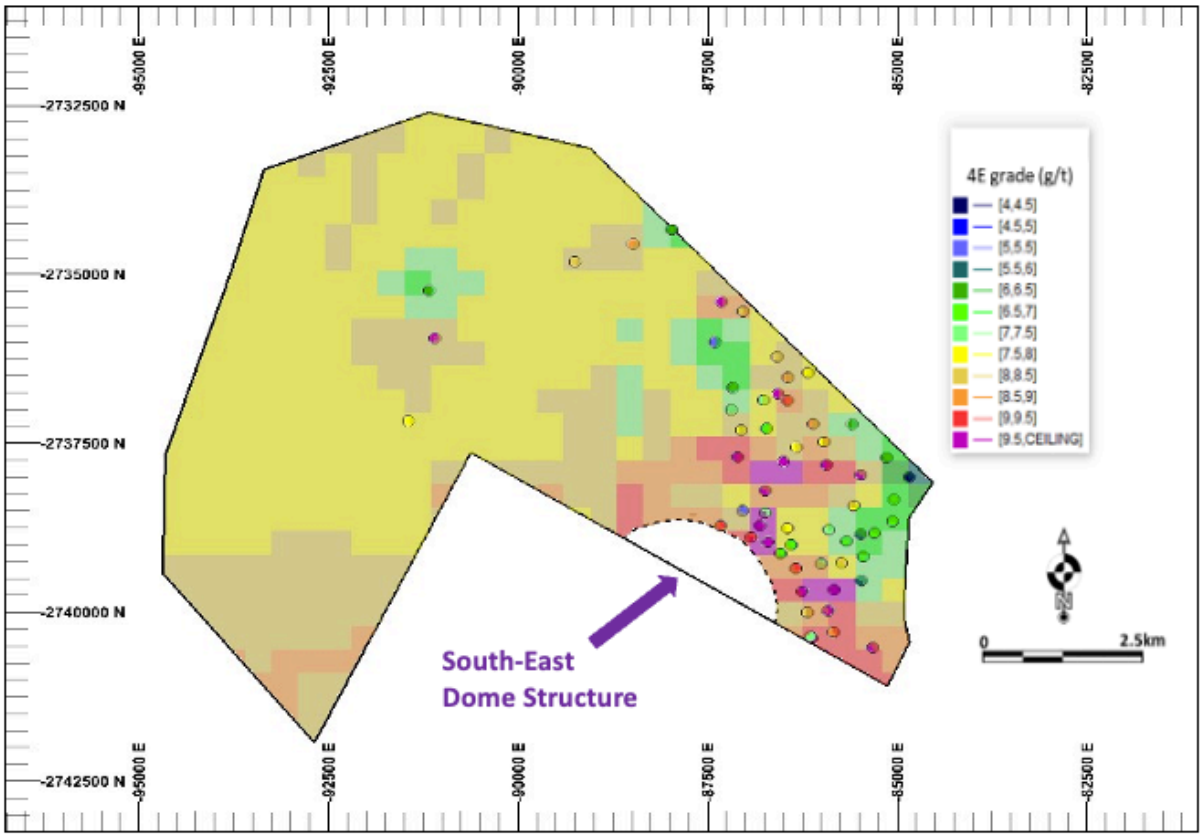
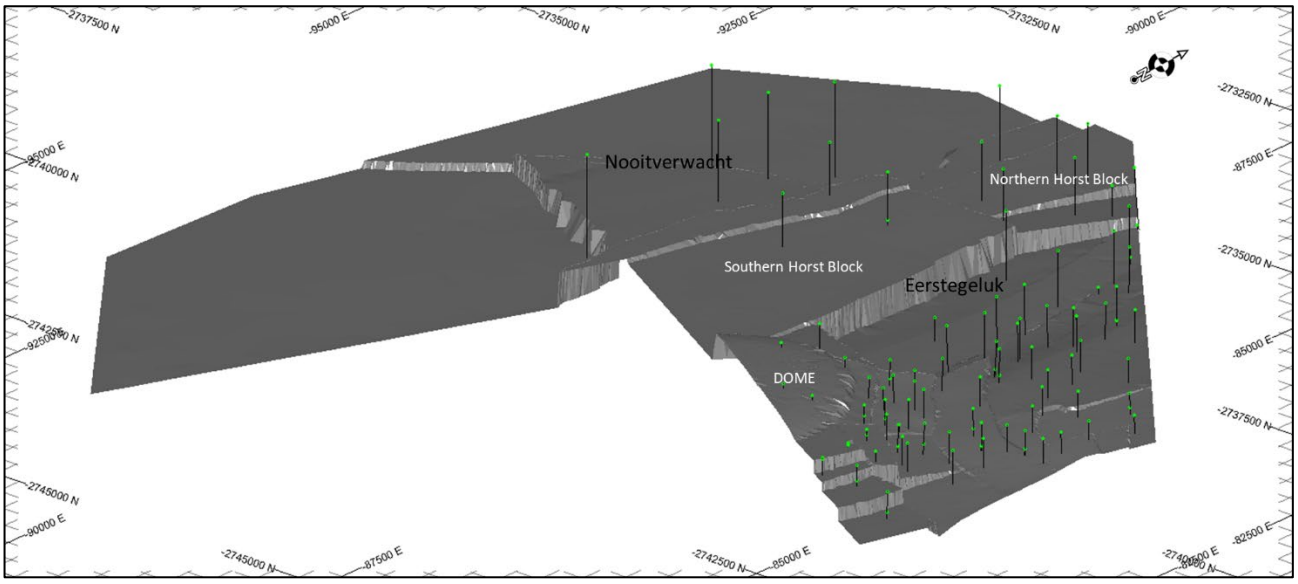
Figure 1: Modelled 3PGE+Au g/t Plot of the UG2 Reef



The UG2 structures are now also better understood with the updated 3D structural model for the UG2 (*Figure 2*) being utilised for the scoping study. The overall geological losses applied to the Indicated and Inferred Mineral Resources for the UG2 are now 21% and 24% respectively.

Figure 2: Oblique View of the 3D Structural Model of the UG2 Reef



Mineral Resource Categories

The Mineral Resource categories (*Figure 3)* were determined based on the QAQC, slope of regression (SOR), kriging efficiency (KE) and continuity of the UG2 Reef horizon. These are measures in the confidence of the kriged estimation. The Exploration Target Range is extrapolated from the boundary of the inferred Mineral Resource to the project perimeter.

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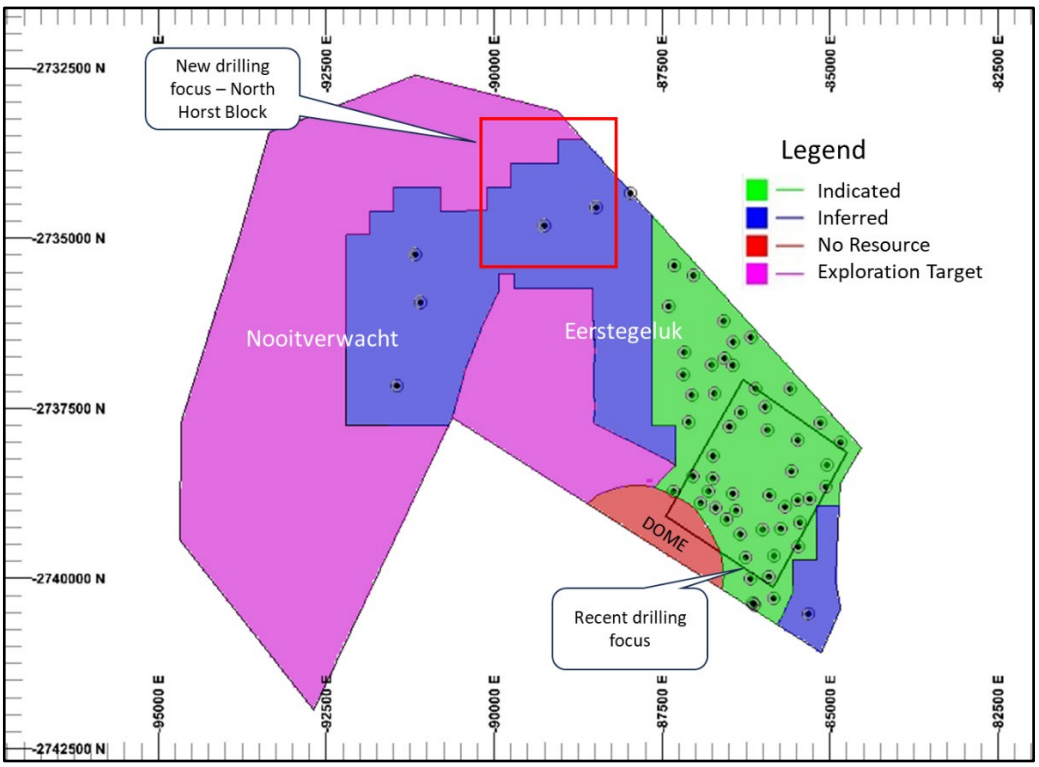
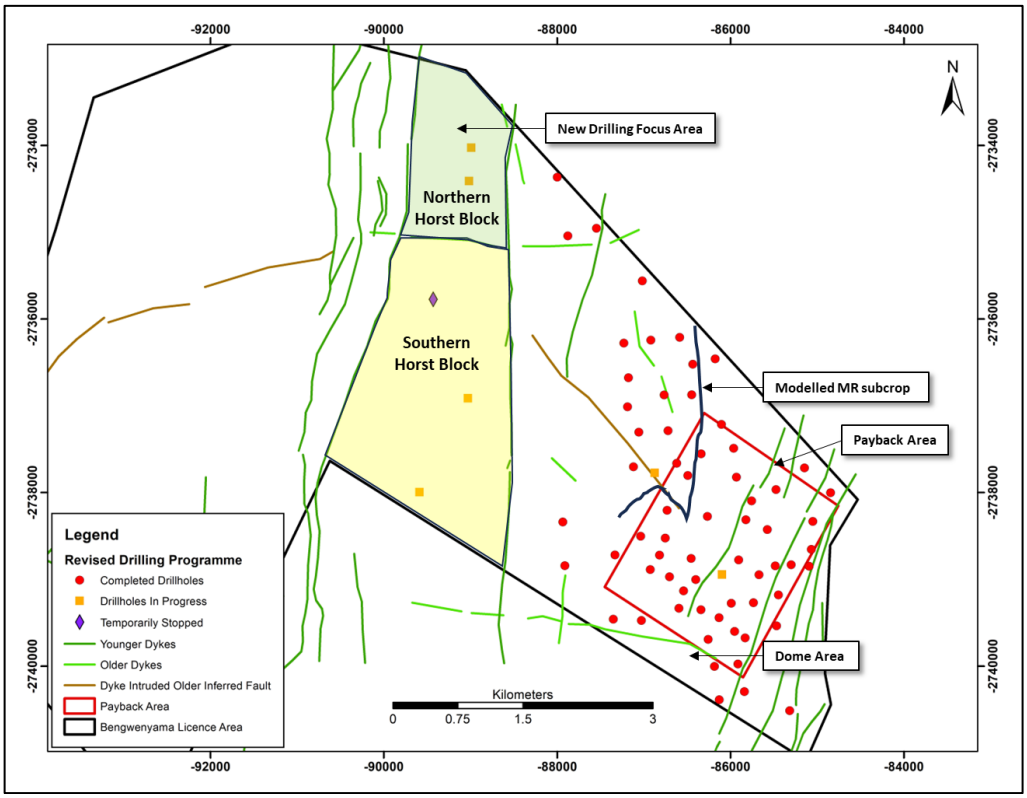
Figure 3: UG2 Mineral Resource Categories



Ongoing drill programme

The initial payback area (*Figure 1*) in the shallow portion of Eerstegeluk has successfully been converted to Indicated Mineral Resources. The drilling focus now turns to the North Horst Block (*Figure 3*) to convert the Inferred Mineral Resource and Exploration Target to Indicated Mineral Resources for the forthcoming PFS. Infill drilling will continue in the eastern portion of Eerstegeluk to continually filling gaps. To date 23,347m have been completed, which is comprised of 67 completed drillholes and 29 deflections (*Figure 4*).

Figure 4: Completed and Current Drillholes



Project Studies

Updated Scoping Study

The updated Scoping Study is now well underway with its release in January/February 2024. This study is being conducted concurrently with the Prefeasibility Study and will showcase the project's key metrics, including net present value (NPV), cost estimation, and annual production figures. The Scoping Study will include results from recent metallurgical test work, which showed potential 4E PGM recovery rates from the UG2 reef of between 80 and 85% with concentrate grades of 130 to 250g/t (4E) (refer ASX Announcement 6 December 2023).

Geotechnical Study Establishes Mine Design Parameters

The findings of the geotechnical study conducted by the independent consulting firm Open House Management Solutions (OHMS) has yielded promising results, confirming the viability of both conventional and mechanised underground mining from a geotechnical perspective. The study's conclusions are reassuring. It indicates that mining operations at depths exceeding 50 metres underground do not pose a threat to surface infrastructure. Our proposed conventional stope layout is estimated to result in a mining extraction rate ranging from 91% near surface to 78%, contingent upon the depth below the surface.

All parameters are in line with existing Bushveld UG2 operations. It is also worth highlighting that our consultants have noted the absence of chromite stringers in the hanging wall of the UG2. Due to the absence of these stringers, which in other Bushveld operations can lead to dilution, we anticipate a potential minimum stope width of approximately 1 metre, based on an average UG2 reef width of about 70 cm.

OHMS was engaged to conduct a geotechnical study for the Bengwenyama PGM project. The primary purpose of the study was to confirm the minimum allowable depth for commencing mining activities and to determine the optimal pillar layout for various mining methods.

The Bengwenyama project is designed as an underground mine with an initial focus on the UG2 Reef. The geotechnical study has established that there are two viable mining options: one involving conventional mining with a 1-metre mining width and the other employing a mechanized mining approach with a mining width of up to 2.0 metres. The choice between these methods will be influenced by factors such as financial feasibility and practicality.

UG2 Chromitite Reef Width

The representative UG2 drillhole intersection widths to date range from about 43cm to 136cm with an average width of 69 cm. At this stage, indications are that there are limited areas that have chromite stringers in the hanging wall of the UG2, which so far are located in a small, localised area in the northeastern part of Eerstegeluk.

The majority of the UG2 intersections have a leuconorite parting plain (LPP) as the hanging wall contact between the hanging wall pyroxenite and the UG2 reef. The footwall contact of the UG2 is either a sharp or gradational contact between the UG2 reef and the pegmatoidal or poikilitic pyroxenite.

In the case of the gradational contact there is disseminated chromite within the pyroxenite resulting in the immediate footwall being mineralised and carrying low PGM grades. It is estimated that the footwall dilution will carry a grade of between 0.3 g/t and 0.5 g/t. Since the project area has the LPP as the hanging wall contact the hanging wall dilution should be minimal and the minimum stoping width dilution will come from the low-grade footwall pyroxenite.

Indications are that the minimum stope width could be around 1m based on the average UG2 Reef width of approximately 70 cm and the absence of the chromite stringers.

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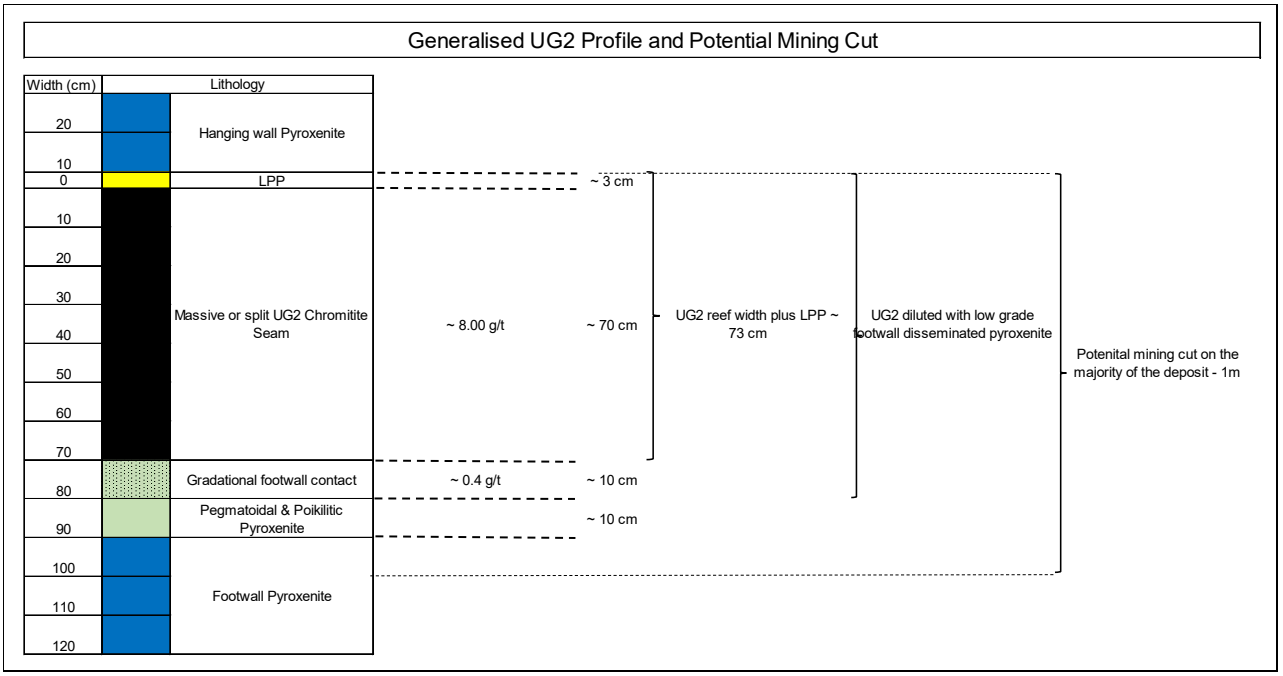
Figure 5: Generalised UG2 Profile and Potential Mining Cut



Based on the test work conducted above, OHMS were able to draw the following conclusions:

Geotechnical test work results

- Core analysis indicates that there are no reef parallel structures present within 6m of the top of reef contact, leading to the conclusion that the UG2 should have a strong hang wall.
- The results of the test work and the core logging were used to produce rock mass classifications for the various lithologies. The classification yielded similar results for the UG2, footwall and hanging wall. The Rock Mass Rating values ranged between 82 and 84 and is considered a good rating.

Geotechnical test work conclusions

- A beam thickness of 6m can be considered above the stoped-out areas.
- The analysis indicates that the originally planned 20m wide conventional stopes are expected to be stable, given the newly available rock mass characteristics. Moreover, the results indicate that, even with conservative input parameters, it is anticipated that a stope with a 25m span on dip and with a stope length of 100 m on strike, should be stable.
- The mining extraction rate for conventional mining will range from 91% down to 180m deep and reduces gradually to 78% at a depth of 540m.
- The mining extraction rate for mechanised bord and pillar mining will range from 82% down to 240m deep that reduces gradually to 67% at a depth of 540m with pillar dimensions changing to 8x10m.

Geotechnical test work recommendations.

- The recommended lay-out for conventional stoping includes gully pillars of 6m x 4m with 5m holings and the panel face length of 20m. In-stope roof-bolting is recommended with a spacing at a 1.5 m x 1.5 m elongate pattern Hydra-bolts of 1.2m length is recommended for the gullies and raises, spaced 1.0 m apart to a 2-1-2 pattern. The recommended conventional development support pattern is 1.2m long, 26mm diameter hydra-bolts, tensioned and spaced 1.0 m apart to a 2-1-2 pattern.
- The recommended bord and pillar mechanised layout of 8m bords and 6m pillars and 1.5 m full column grouted resin bolts spaced 1.5m on average for bords and for primary development ends.
- Long high-capacity support such as 4.5 m long cable anchors is recommended at large excavation intersections, and in areas where these low-angled structures are intersected. It is recommended that it should be planned that at least 10% of the workings will require additional long anchor support.
- For the assumed charge, the empirical analysis indicates that mining should not be conducted closer than 50 linear metres below surface structures.

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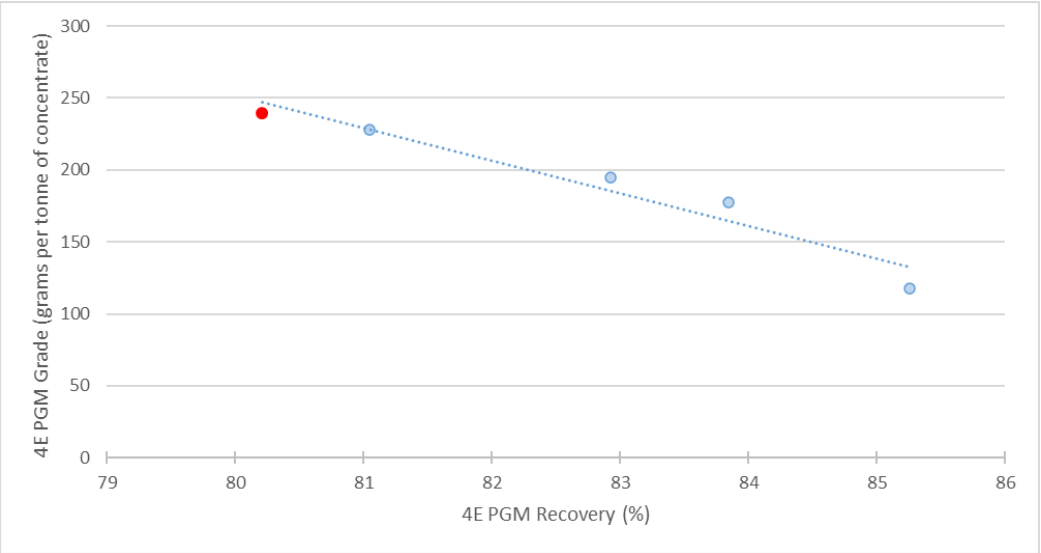
Metallurgical testing shows potential PGM recoveries of 85%

Significant progress has been achieved in understanding the metallurgy of the UG2 orebody. Preliminary testing suggests that ore from the UG2 Reef can be effectively treated with recoveries ranging from 80% to 85% through conventional methods that are used across the Bushveld Complex, and therefore aligning with industry. Metallurgical recoveries from the UG2 Reef at operations on the Eastern Limb range between 81% and 88%.

Metallurgical testing

The sample for test work was composited from a total mass of approximately 32kg (4E head grade obtained ~7.95g/t 4E), from various boreholes that intersected the UG2 reef of the Bengwenyama project. This sample was tested by Suntech Geomet Laboratories, an ISO/IEC compliant facility based in Johannesburg. This test work has demonstrated that high PGM concentrate grades can be obtained at recoveries of over 80% (see *Figure 6* – red dot indicates the test result, i.e., 80.5% recovery at a 4E concentrate grade of 238 g/t). The testwork was a locked cycle test over six cycles. The graphed data is the final concentrate (red dot) and the final residue PGM contained in each waste stream (other four data points).

Figure 6: Concentrate grade vs. recovery (4E)



Source: Suntech Geomatics Test Report

These recoveries are in line with those reported by various UG2 operations on the Eastern Limb:

- Anglo American Platinum – Mototolo 84% and Modikwa 87%; and;
- Implats – Marula 86%-88% and Two Rivers 81%.

In addition to strong PGM recoveries, a marketable chromite concentrate can also be produced using conventional spirals and sold separately.

Initial mining at the Bengwenyama project will focus on the underground extraction of PGM's from the high grade UG2 Chromitite Reef. The current design for the planned process plant is based on a conventional MF2 flow sheet consisting of primary and secondary milling and flotation , with a processing route to obtain a flotation concentrate which contains a marketable content of 7E PGM.

As more representative samples of the UG2 Reef becomes available, further test work will be undertaken to increase confidence in the process flowsheet and make improvements to both recovery and grade of the 7E PGM content from the UG2 reef.

Environmental, Social and Governance

Submission of Mining Right Application

On September 29, 2023, Southern Palladium officially submitted its application for a Mining Right (refer ASX Announcement 2 October 2023).

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On 17 October 2023, the company received notification from the Department of Mineral Resource and Energy (DMRE) that its application for the Mining Right has been accepted. This approval confirms that Southern Palladium can now initiate comprehensive expert studies and consultations which will pave the way for a decision by the Department of Mineral Resources and Energy (DMRE) by late 2024/early 2025.

Engaging with the Community

Southern Palladium works closely with the community, actively promoting inclusivity and project awareness. Ethical inclusion extends to fair representation via Royal Family, Traditional Council and other Community representatives. Weekly exploration meetings are held virtually with the two Community representatives, together with the environmental and exploration management consulting firm contracted to the project. Quarterly meetings are held with extended representation from the greater Royal Family, Traditional Council and community representatives.

To further communicate the Company's activities to community members, Southern Palladium launched a new Facebook page: (https://www.facebook.com/SouthernPalladium).

This platform serves as a means to share updates, news, and relevant information with the community in a more accessible and real-time manner.

Additionally, our first Newsletter was published and printed in July 2023 for distribution within the Community and surrounding Areas. The Newspaper was well received and will be published on a Bi-annual basis. An electronic copy of the December 2023 issue is available on the Southern palladium website: https://www.southernpalladium.com/site/news-insights/media

Health And Safety

Southern Palladium is committed to upholding high standards of employee and workplace health and safety. Exploration activities at Bengwenyama are conducted in compliance with all regulations including the South African Mine Health and Safety Act (29 of 1996). A comprehensive safety file, emergency response plan, policies and codes of practice are implemented, incorporating key guidelines published by the Chamber of Mines. Legal appointments are made in terms of policies and Mine Health and Safety regulations.

Health and safety inductions are held for all new persons arriving on site at the Bengwenyama project. Daily safety meetings are held, and a working incident reporting and management system is established. The use of PPE is enforced, and provision is made for such equipment to all persons.

March Quarter Planned Activities

Drilling activities at the Bengwenyama Project will continue throughout the March 2024 quarter. The focus of the drilling has been narrowed down to infill drilling over the shallow eastern portion of the UG2 block and Northern part of the Horst Block, continuing the conversion of inferred resources to indicated category.

The company aims to deliver its Updated Scoping Study during January/February 2024.

The Southern Horst Block currently lacks extensive geological structure information. Consequently, the decision has been made to temporarily redirect drilling efforts to the Northern Horst Block, where the reef has already been intersected. The goal is to convert inferred data to indicated in the northern region. Drilling activities will resume in the Southern Horst Block once a more comprehensive understanding of its geological features is acquired.

Corporate

Appointment of Mr Roger Baxter as Non-Executive Chairman

Mr Roger Baxter was appointed as Non-Executive Chairman of the Board, commencing on 1 January 2024.

Roger was the Chief Executive Officer of the Minerals Council South Africa for over 8 years from May 2015. He recently retired from this position. In that role he played a key part in guiding the South African mining sector to achieve an improved safety record with a significant focus on the implementation of mine site solutions based on the adoption of leading global safety practices. Roger also led the complete brand rejuvenation, reputation enhancement and modernisation of the Mineral Council into becoming a much more effective, strategically driven, agile, assertive and capable organisation.

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Roger was awarded the "2020 Mining Thought Leader of the Year" by the Mining Review Africa journal and has also been listed in MiningMX's "100 most influential people in Africa's mining" sector.

Roger is the founding Chairman of the World Platinum Investment Council – a position he continues to hold. He is also immediate past President of the Mining Industry Association of Southern Africa (2019 – 2022) and the immediate past Chairman of the Associations Coordinating Group of the International Council of Mining and Metals (2020 – 2022). Roger holds a Bachelor of Commerce (Honours) from the University of Natal in South Africa.

Expenditure Summary

A summary of the exploration and project evaluation expenditures for the quarter is provided as follows:

For the purpose of ASX Listing Rule 5.3.1, payments for exploration, evaluation and development during the quarter totalled $1,267,000 (30 September 2023: $1,054,000). The Phase 1a and Phase 1b drilling programme, facilities set up and details of activities undertaken during the quarter are as described in this report.

For the purpose of ASX Listing Rule 5.3.2, the Company confirms there were no mining production and development activities undertaken during the quarter.

For the purpose of ASX Listing Rule 5.3.5, payments to directors of Southern Palladium Limited during the quarter totalled $120,000. The payments were in respect of directors' salaries, fees and superannuation.

Payment to Minxcon Pty Ltd, a related party of two of the Company's Directors, Johan Odendaal and Daan van Heerden during the quarter totalled approximately $530,000. The payments were in respect of expenses incurred for management of the Bengwenyama Project.

Payment to Miracle Upon Miracle Investments (Pty) Limited, a related party of Southern Palladium Limited during the quarter totalled approximately $1,450,000. The payments were in respect of expenses incurred for the Bengwenyama Project and corporate expenses.

Pursuant to ASX Listing Rule 5.3.4, the Company provides its actual expenditure on the individual items in the two year "use of funds" statement in its IPO Prospectus since the date of its admission to ASX's Official List (being 8 June 2022) against the estimated expenditure on those items and an explanation of any differences.

Use of Funds	Prospectus: Estimated Expenditure	Actual use from 8 June 2022 to quarter end	Variance
Phase 1 drilling	$7,716,000	$5,779,095	$1,936,905
Phase 2 drilling	$3,805,000	$0	$3,805,000
Other technical work on the Project	$1,677,000	$392,641	$1,284,359
Corporate and other related costs	$3,918,000	$2,716,637	$1,201,363
Costs of the Offer	$1,737,000	$1,406,949	$330,051
Total	**$18,853,000**	**$10,295,322**	**$8,557,678**

The variances are a result of the Company being admitted to the Official List on 8 June 2022, therefore actual expenditure up to 31 December 2023 is represented against the two year "use of funds" statement. The Company believes it is on schedule to achieve its objectives as stated in its IPO Prospectus.

Cash

As at 31 December 2023, Southern Palladium held approximately $8.34 million (30 September 2023: $9.98 million) in cash. This figure excludes cash held by the Company's related party, Miracle Upon Miracle Investments (Pty) Limited at 31 December 2023 of $0.566 million (30 September 2023: $0.632 million).

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December 2023 Quarter – ASX Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details can be found in the following announcements lodged on the ASX:

2-Oct-2023	Bengwenyama Project Mining Right Application Submitted
10-Oct-2023	Bengwenyama drilling update
23-Oct-2023	Geotechnical Study Establishes Mine Design Parameters
28-Nov-2023	Appointment of Mr Roger Baxter as Non-Executive Chairman
7-Dec-2023	Metallurgical testing shows potential PGM recoveries of 85%
7-Dec-2023	UG2 Indicated Mineral Resource doubles to 6.52 Moz (7E)

JORC Competent Persons Statement

Uwe Engelmann
The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, FGSSA). Mr Engelmann is a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions. Minxcon provides geological consulting services to Southern Palladium Limited. Mr. Engelmann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Engelmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Engelmann has a beneficial interest in Southern Palladium through a shareholding in Nicolas Daniel Resources Proprietary Limited.

Daan van Heerden
The scientific and technical information contained in this announcement has been reviewed, prepared, and approved by Mr Daan van Heerden (B Eng (Min.), MCom (Bus.Admin.), MMC, Pr.Eng. No. 20050318, AMMSA, FSAIMM). Mr van Heerden is a director of Minxcon (Pty) Ltd and a Registered Professional Engineer with the Engineering Council of South Africa, a Member of the Association of Mine Managers South African Council, as well as a Fellow Member of the South African Institute of Mining and Metallurgy. Mr. van Heerden has sufficient experience relevant to the styles of mineralisation and activities being undertaken to qualify as a Competent Person, as such term is defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr van Heerden has a beneficial interest in Southern Palladium through a shareholding in Nicolas Daniel Resources Proprietary Limited.

For further information, please contact:

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Email: johan.odendaal@southernpalladium.com

Media & investor relations inquiries: Sam Jacobs, Six Degrees Investor Relations: +61 423 755 909

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Appendix 1

Tenements

The Company held the following tenement during the quarter. The Project comprises the full extent of the farms Nooitverwacht 324 KT and Eerstegeluk 327 KT, both of which are in the Limpopo Province of South Africa. The Project is located 250 km east-northeast of Pretoria. The Exploration tenement is 100% held through Miracle Upon Miracle (Pty) Ltd the 70% subsidiary of SPD.

The Company did not enter into any farm-in or farm-out agreements during the quarter.

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter:

Farm name	Extent (ha)	Prospecting Right number	Prospecting Right expiry date	Interest at beginning of quarter	Interest at end of quarter
Nooitverwacht 324 KT	2,971.01	LP30/5/1/1002PPR	12-Feb-24	70%	70%
Eerstegeluk 327 KT	2,308.73				
Total	**5,279.74**				

No tenement has been disposed during the quarter.

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Appendix 2

Mineral Resource

The total combined Mineral Resource for the UG2 and MR as at 1 December 2023 is summarised in Table 1. The combined Indicated Mineral Resource for the project, on a 7E basis, is 8.43 Moz ounces with a combined Inferred Mineral Resource of 17.80 Moz. The total Mineral Resource (Indicated and Inferred) is 26.22 Moz. These Mineral Resources include 15.72Moz indicated and inferred for the UG2 reef.

Table 1: Combined UG2 and MR Mineral Resource Estimate as at 1 December 2023

Reef	Resource Category	Tonnes	Thickness	Pt	Pd	Rh	Au	Ir	Os	Ru	4E	7E	Cu	Ni	Moz (4E)	Moz (7E)
		Mt	(m)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)		
Merensky	Indicated	21.59	2.05	1.59	0.65	0.10	0.12	0.03	0.03	0.21	2.48	2.75	0.038	0.125	1.72	1.91
Merensky	Inferred	77.90	1.97	2.01	0.81	0.13	0.15	0.04	0.04	0.25	3.10	3.43	0.035	0.119	7.77	8.60
Total		**99.49**	**1.99**	**1.92**	**0.78**	**0.12**	**0.14**	**0.04**	**0.04**	**0.24**	**2.97**	**3.28**	**0.035**	**0.120**	**9.49**	**10.50**
UG2	Indicated	20.80	0.73	3.60	3.61	0.75	0.12	0.25	0.17	1.24	8.08	9.75	0.033	0.162	5.40	6.52
UG2	Inferred	29.99	0.74	3.63	3.37	0.77	0.10	0.26	0.17	1.25	7.87	9.54	0.038	0.165	7.58	9.20
Total		**50.79**	**0.73**	**3.62**	**3.47**	**0.76**	**0.11**	**0.26**	**0.17**	**1.25**	**7.95**	**9.63**	**0.036**	**0.164**	**12.99**	**15.72**
Total		**150.28**	**1.57**	**2.49**	**1.69**	**0.34**	**0.13**	**0.11**	**0.08**	**0.58**	**4.65**	**5.43**	**0.04**	**0.13**	**22.48**	**26.22**

Note: All elements have been estimated individually and their combined grade will vary slightly from the estimated composite 4E and 7E modelled grades.

Platinum Group Minerals (PGMs) within the Bushveld Complex exhibit varying ratios (referred to as the Prill Split), with platinum (Pt), palladium (Pd), and rhodium (Rh) constituting the predominant components. Additionally, other PGMs such as ruthenium (Ru), iridium (Ir), and osmium (Os) are also present, although in smaller quantities. These ratios exhibit variations from one section of the complex to another. Notably, the UG2 reef at the Bengwenyama project represents an even distribution of Platinum and Palladium, accompanied by a notable concentration of Rhodium. Conversely, the Merensky Reef is characterized by a high platinum content.

Figure 7: Platinum Group Metal + Gold Prill Split

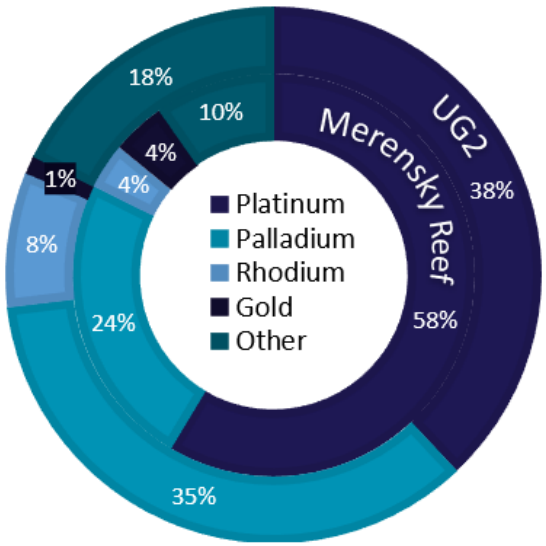
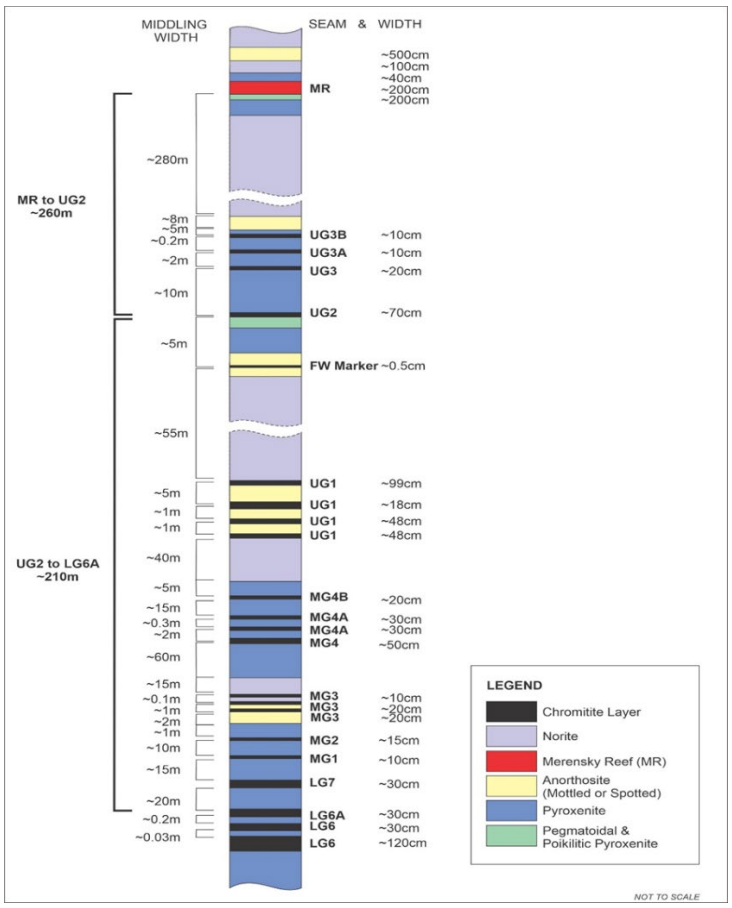


Figure 8: Project Stratigraphic Column (E056 and E057)



Appendix 5B
Mining exploration entity or oil and gas exploration entity
quarterly cash flow report

Name of entity

Southern Palladium Limited

ABN
59 646 391 899

Quarter ended ("current quarter")
31-Dec-23

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
1	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development	-	-
	(c) production	-	
	(d) staff costs	(51)	(82)
	(e) administration and corporate costs	(219)	(532)
1.3	Dividends received (see note 3)		
1.4	Interest received	82	154
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other - Miracle Upon Miracle Pty Ltd operating expenditure	(250)	(464)
1.9	**Net cash from / (used in) operating activities**	**(438)**	**(924)**

2	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(1,200)	(2,281)
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to MUM		
2.4	Dividends received (see note 3)		
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,200)**	**(2,281)**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
3	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
3.1	**Net cash from / (used in) financing activities**	**-**	**-**

4	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,981	11,548
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(438)	(924)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,200)	(2,281)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**8,343***	**8,343***

**NOTE: This figure excludes cash held by the Company's related party, Miracle Upon Miracle Investments (Pty) Limited at 31 December 2023 of $0.566 million (30 September 2023: $0.632 million).*

5	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	2,343	481
5.2	Call deposits	6,000	9,500
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**8,343***	**9,981***

** NOTE: This figure excludes cash held by the Company's related party, Miracle Upon Miracle Investments (Pty) Limited at 31 December 2023 of $0.566 million (30 September 2023: $0.632 million).*

6	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	131
6.2	Aggregate amount of payments to related parties and their associates included in item 2	519

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

A total approximately of $650,000 was paid to related parties of the entities and their associates as follow:

- $120,000 are in respect of Directors' fees, salaries and superannuation accruing to Directors' for services rendered during the period.

- $530,000 was paid to Minxcon Pty Ltd for project management of the Bengwenyama Project. Two of the Company's Directors, Johan Odendaal and Daan van Heerden, are significant and controlling shareholders in Minxcon.

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7	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(438)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,200)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,638)
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,343
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	8,343

8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

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

Answer: N/A

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

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2024

Authorised by: Audit Committee

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

Notes

1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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