30 April 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.

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Quarterly Activities Report for 31 March 2024

MARCH QUARTER HIGHLIGHTS

Operational:

- **Completion of extensive Scoping Study for Bengwenyama, which yielded positive results indicating the development of a high-grade, low-capital-intensity UG2 reef underground mining operation. The project is designed to process approximately 2 Mtpa and requires an initial capital investment of US$408 million (includes a 15% contingency).**
- **The estimated mine life for the UG2 reef is 36 years, with an average annual production rate of 330,000 ounces of platinum group metals (PGM), measured on a 6-element (6E) basis. This estimation is only based on the UG2 orebody and excludes any assumptions regarding the Merensky reef.**
- **The project's net present value (NPV) is calculated at US$700 million, with an internal rate of return (IRR) of 21%. The project is forecast to offer low cash costs (US$717/oz, 6E basis) assisted by high UG2 grades and the shallowness of the orebody.**
- **Comprehensive PFS drill programme with 30,746m of diamond drilling completed, consisting of 86 'mother' holes and 50 deflections which will be incorporated into an updated Mineral Resource estimate, which is scheduled for completion in early Q3 CY2024.**
- **Updated Mineral Resource estimate and maiden reserve will form part of the PFS which is scheduled for completion early Q4 CY2024.**
- **Environmental Impact Assessment (EIA) remains underway and is advancing on schedule, with submission slated for mid-2024.**
- **The Company has started preliminary discussions with potential offtake partners to explore business development opportunities.**

Corporate:

- **Mr Roger Baxter appointed as Non-Executive Chairman, effective 1 January 2024.**
- **As at 31 March 2024, Southern Palladium held approximately A$6.85 million (31 December 2023: A$8.34 million) in cash. This figure excludes cash held by the Company's 70% subsidiary, Miracle Upon Miracle Investments (Pty) Limited at 31 March 2024 of A$0.637 million (31 December 2023: A$0.566 million).**

Southern Palladium (ASX: SPD, "Southern Palladium" or the "Company") is pleased to announce its quarterly activities summary for the three months ended March 31, 2024. 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 complete its Pre-feasibility study ("PFS"). Notably, it is strategically positioned in the heart of a significant underground mining region, leveraging existing infrastructure and knowledge of operations. During the quarter, Southern Palladium released an extensive Scoping Study for the Bengwenyama project (refer ASX Announcement 1 February 2024) which confirmed the continuation of the PFS.

A summary of key results from the Scoping Study are set out below:

- Life of Mine (LOM) on the UG2 reef and Eerstegeluk farm only is estimated at 36 years for an average annual production rate of 330 Koz PGM (6E basis) with cash costs firmly at the low end of the global cost curve.
- Development of a shallow underground mining operation targeting the ~2 Mtpa UG2 reef via decline systems, employing a hybrid mining method commonly utilised in neighbouring mines.
- The mill feed is characterized by a head grade of 6.55g/t (7E). Processing will involve conventional flotation and spiral plant techniques to produce a marketable PGM concentrate with an anticipated recovery rate of approximately 85% for the major metals. Additionally, a chrome concentrate will be produced for sale in export markets.
- Initial capital spend of ~US$408m.
- Post-tax NPV of ~US$700 million based on conservative commodity price assumptions (Pt US$1200/oz, Pd US$1100/oz, Rh US$5000/oz).
- Post-tax IRR of ~21% with post-tax capital payback of ~4.5 years from first concentrate production.
- Life of mine EBITDA totalling ~US$5.2 billion.

Overview of March Quarter Activities

PFS drill programme

The combined (Merensky and UG2 reef) 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 which is the initial target for mining.

To date 30,746m of diamond drilling has been completed, consisting of 86 "mother" holes and 50 deflections. As the PFS exploration phase came to an end following the lapsing of the prospecting right, the main activities at the Bengwenyama project have now moved to the completion of the PFS and the Environmental Impact Assessment as part of the Company's forthcoming Environmental Impact Report (EIR) submission for the granting of the Mining Right.

The initial target area in the shallow portion of Eerstegeluk has been successfully converted to Indicated Mineral Resources by the end of CY2023 (*refer ASX Announcement 7 December 2023*).

The final assay samples will be submitted in April 2024, with all assay results expected to be received by the end of May. Once all the assays are in, an updated Mineral Resource estimate will be compiled, incorporating the results from the last holes drilled during the PFS phase. This updated estimate is planned for completion in the early part of 3Q 2024.

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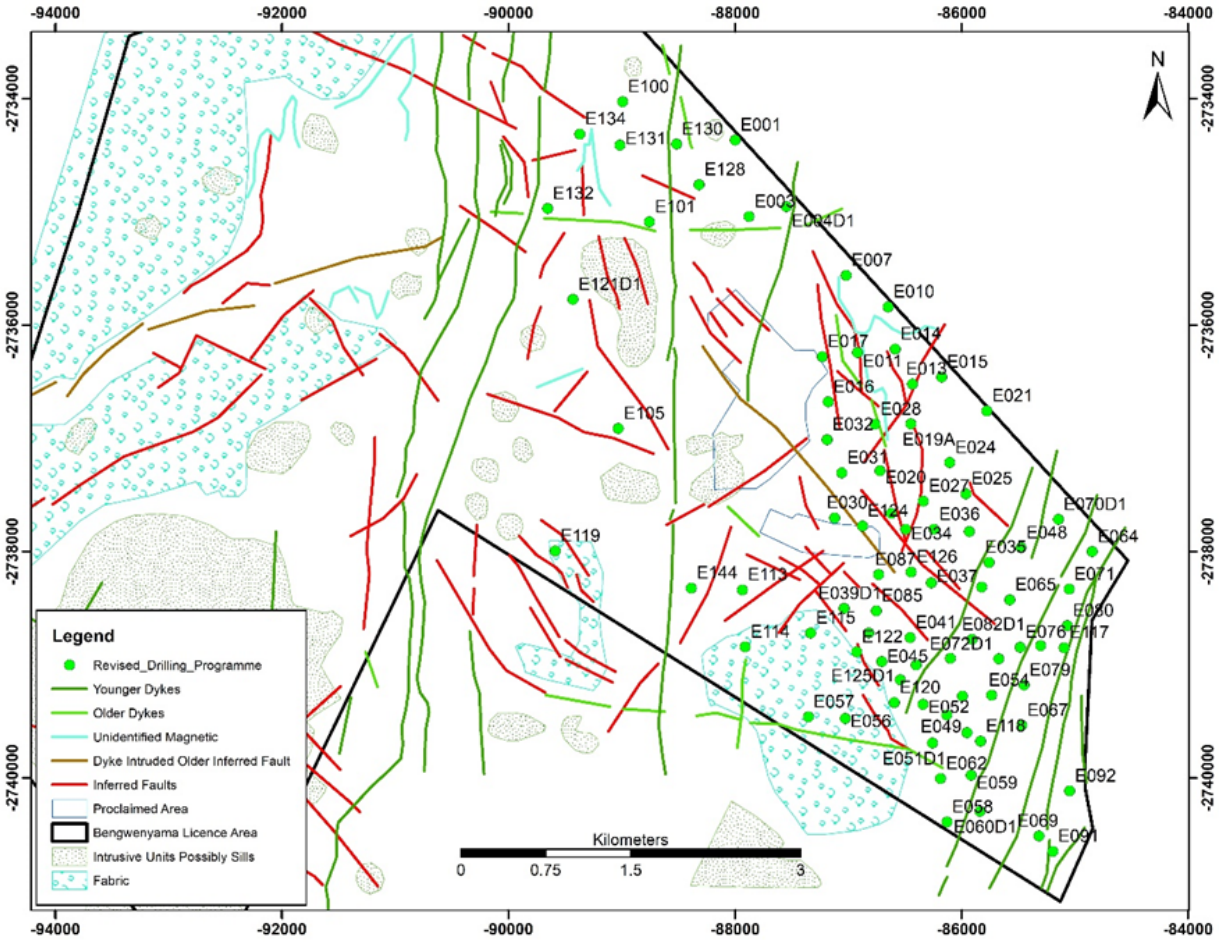
Figure 1: Drillhole Locations



Metallurgy

Preliminary testing indicated that the Bengwenyama UG2 Reef can be treated using conventional methods, and initial test works showed outstanding metallurgical recoveries of between 85% and 80% with concentrate grades of 130 to 250g/t (4E) can be obtained (refer ASX Announcement 6 December 2023).

Offtake

The Scoping Study revealed that South Africa has a robust downstream smelting and refining infrastructure for processing PGM concentrates. Existing operators have commercial agreements in place for handling UG2 and Merensky concentrates, which are derived from existing operations. Most of the smelters processing these concentrates are in Rustenburg (proximate to the Western Limb mines), with nearly all of the Eastern Limb mines' concentrate product being transported to these facilities by truck. The high-grade PGM concentrate of the Bengwenyama project, will be well-suited for processing at these smelters. With the completion of the Scoping Study, the company has started preliminary discussions with potential offtake partners to explore business development opportunities.

Environmental Impact Assessment

The acceptance letter for the Mining Right Application, received on 17 October 2023 marked the commencement of the Environmental Authorisation process comprising the Scoping and Environmental Impact Assessment (EIA) reporting phases. The scoping phase was concluded with the receipt of the acceptance letter on 15 February 2024, initiating the subsequent EIA phase.

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This process entails ongoing consultation with local authorities and engagement with interested and affected parties. It also involves conducting specialist studies by independent experts and the eventual compilation of the comprehensive Environmental Impact Report (EIR) by the independent environmental consultancy, OMI Solutions (Pty) Ltd. This report will delineate all biophysical and socio-economic impacts, along with proposed mitigation measures and the Environmental Management Programme (EMPR). The final EIR, encompassing all findings and the EMPR, is anticipated to be submitted to the Department of Mineral Resources and Energy (DMRE) for review by mid-2024.

SRK Review of the PFS

To ensure the highest standards of due diligence and quality assurance throughout the project lifecycle, during the March quarter SPD enlisted SRK Consulting (South Africa) (Pty) Ltd (SRK) to conduct a comprehensive assessment and review of the ongoing work pertaining to the Mineral Resource estimation and PFS.

The review process entails interactive sessions between various SRK discipline consultants and representatives of Minxcon (Pty) Ltd, which is conducting the PFS, to ensure the early identification of potential challenges that may impact the final PFS outcome.

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Project Studies

Updated Scoping Study

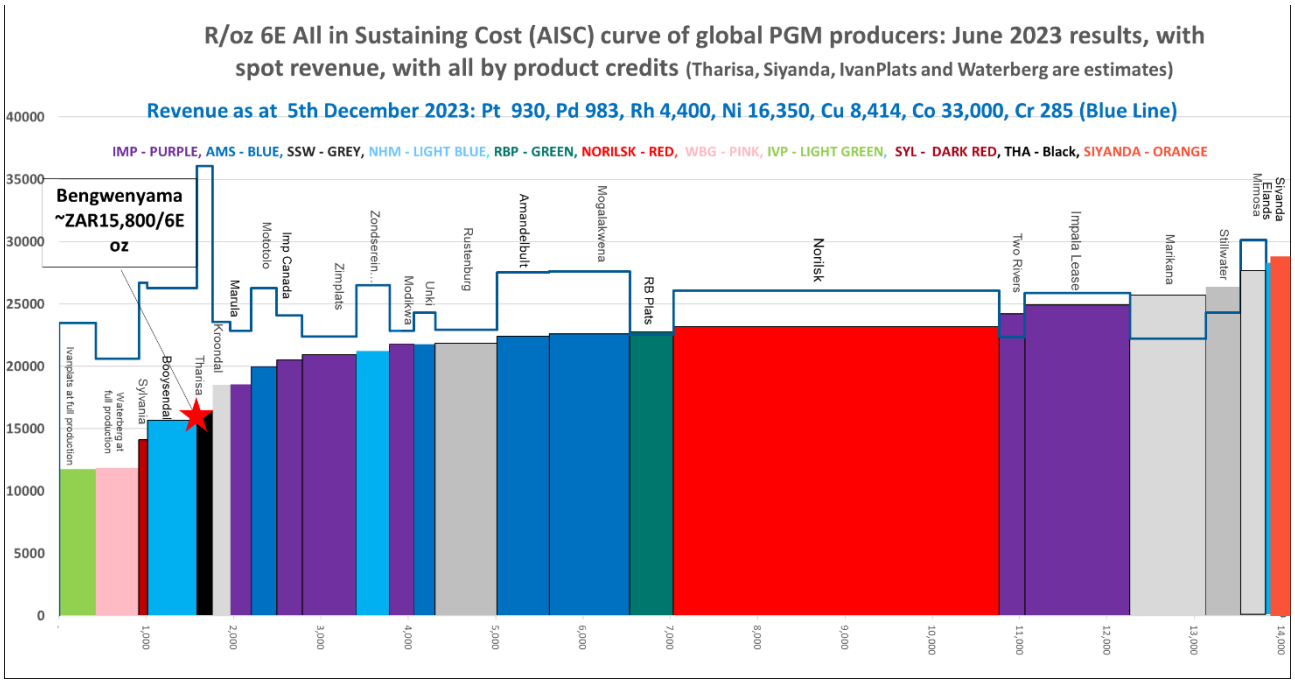
In late January 2024, the company received the results of the technical Scoping Study, yielding a satisfactory outcome (refer ASX Announcement 1 February 2024). The study concentrated exclusively on the UG2 reef, which boasts a resource of 15.72 million ounces, with 6.52 million ounces classified as an Indicated Resource.

The following aspects for the proposed mining project have been technically assessed:-

- Development of a ~2 Mtpa UG2 reef underground mining operation utilising hybrid mining with conventional stoping supported by on-reef mechanised development and ore clearance. The life of mine on the UG2 reef only is estimated at 36 years with a total of approximately 52 million tonnes mined (~10.9 Moz 7E) for an average annual production rate of 330 Koz PGM (6E basis) ignoring residual value beyond modelled life or any exploration upside.
- Shallow early ounces from two decline systems accessing the UG2 Reef.
- UG2 Reef grades of the mining inventory are relatively high for the Eastern Limb, averaging 6.55g/t (7E) over a 1.1 metre mining width.
- Construction of a flotation and spiral plant to deliver PGM and chrome concentrates from a conventional plant with a monthly ~200 ktpm ore feed design capacity. A 75 micron grind size is envisaged.
- Construction of a dry-stack tailings storage facility ("TSF") conforming to GISTM requirements.
- Connection to the nearby national grid power substation and construction of a 132 kV overhead powerline to supply (based on initial indications) ~43 MVA peak demand.
- Connection to an existing licenced, bulk water supply pipeline, located at the entrance road to the project. Water supply will be supplemented with available ground- and surface water.
- Comprehensive integration of all on-site infrastructure, encompassing site access roads, office and administrative buildings, engineering workshops, stores, guardhouse, surface water storage facilities and other supporting facilities.
- Relatively low capital intensity, with initial capital estimated at US$408m (including a 15% contingency) assisted by the shallow nature of the UG2 orebody in this area and with well-located power and water infrastructure.
- The project is forecast to offer low cash costs (US$717/oz, 6E basis) assisted by high UG2 grades and, again, the shallowness of the orebody. (Cost curve is presented below).
- There is a well-established downstream smelting and refining process facilities for PGM concentrates within South Africa. Well-established commercial terms are in place for UG2 and Merensky concentrates. Most smelters processing the concentrate from both the Eastern and Western Limbs are situated in Rustenburg (proximate to the Western Limb), with almost all the concentrator product from the Eastern

Limb mines being transported by truck to Rustenburg. The Project PGM concentrates are believed to be suitable for these facilities. Preliminary discussions have commenced with potential offtake parties.

Figure 2: Bengwenyama's positioning on the global cost curve.



Source: Adapted from Rene Hochreiter (NOAH Capital Markets & Sieberana Research, 2023)

- The chrome ore concentrate, for the purpose of the Scoping Study, will be trucked to either Maputo or Durban port and sold on the open export market. There is potential to treat the chrome ore concentrate at a local chrome smelter as there are several in close proximity to the Project. This option will be investigated in the next phase of study.

- Study completed to an overall accuracy of ±30%. This includes mine design and schedule, process design, infrastructure design, TSF design, capital estimates and operating cost estimates.

KEY PROJECT METRICS

The key study results are detailed in the table to follow. The results indicate an economically viable project with a post-tax NPV8% of US$700 million and a post-tax IRR of 21%. The payback period has been calculated as 7.5 years from start of construction and 4.5 years from the first plant throughput. The Project has an all-in-sustaining-cost of US$836/6E oz. Project cashflows are assessed on a real, pre-finance basis.

2 Mtpa UG2 Reef

PGM Concentrate (LOM avg)
50 Kt p.a. @ 2.5% mass pull

Annual production (LOM avg)
330 Koz p.a. 6E
130 Koz p.a. Pt
125 Koz p.a. Pd
27 Koz p.a. Rh
4 Koz p.a. Au
+ Ru, Ir, Ni, Cu

Chrome Conc.
140 Kt p.a.

Peak Funding Requirement
US$403 million (incl. ~15% contingency)

EBITDA (LOM avg)
US$200 million pa

Free cashflow (post-tax)
US$135 million p.a.

Costs (LOM avg)
Cash Costs – US$717/ 6E oz
AISC – US$836/ 6E oz

$NPV_{8\%}$ (post-tax)
US$700 million *

IRR (post-tax)
21%

Payback period
4.5 years
(from start of plant production)

EBITDA margin
43%

Note: * Indicative NPV ignores residual value beyond modelled life or any exploration upside and hence is not considered

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The valuation provided does not account for the resource in the Merensky reef (MR), the remaining UG2 resource, or the Exploration Target areas. It is important to note that nearly 90% of the revenues are generated from platinum, palladium, rhodium, and a chrome by-product (refer to Figure 3).

Figure 3: Potential Revenue Split

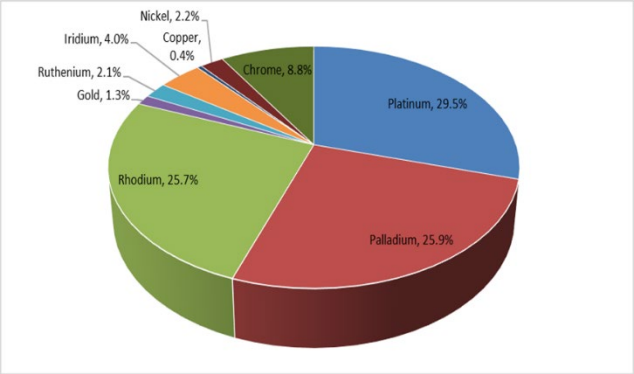
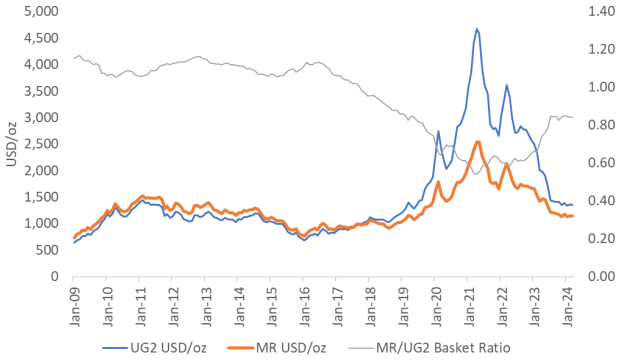


Figure 4: UG2 and Merensky 6E Price Basket



The Steelpoort location offers several advantages, including access to energy from the national grid, the potential for alternative green energy sources, a well-developed transportation infrastructure, and access to a skilled workforce from established mining communities.

With an all-in-sustaining-cost of US$836 per (6E) ounce, the Bengwenyama project positions itself at the lower end of the cost curve. This cost advantage is primarily attributed to the higher grades of the UG2 reef, which can be efficiently delivered to the plant due to shallow and ideal mining conditions for UG2 reef mining. The project is anticipated to provide employment for approximately 4,000 people.

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). 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. Comprehensive expert studies and consultations are ongoing, providing the foundation for a decision by the DMRE, anticipated by late 2024 or 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 the 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 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, a Newsletter is distributed within the Community and surrounding Areas. The Newspaper is well received and is 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

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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.

June Quarter Planned Activities

- The last set of assay samples for the PFS study will be submitted in April 2024, with all results expected by the end of May/Early June.
- Data from the final drill holes will be included in an updated Mineral Resource estimate, scheduled for completion in early Q3 2024.
- The PFS, which is expected to be completed in early Q4 2024, is ongoing with continuous review by SRK. Southern Palladium remains well funded to complete the PFS from existing cash reserves.
- The Environmental Impact Assessment is progressing as planned, with the submission targeted for mid-2024.

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 stepped down 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. 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. In 2018, Roger was awarded the Brigadier Stokes Platinum medal by the Southern African Institute of Mining and Metallurgy (SAIMM) for his positive contribution to the mining sector.

Roger was the founding Chairman of the World Platinum Investment Council – a position he continues to hold to date. 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 A$1,022,000 (31 December 2023: A$1,267,000). The Phase 1a and Phase 1b drilling programme, and facilities set up and details of activities undertaken during the quarter are as described in this report.

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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 A$116,000. 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 A$306,000. 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 A$1,280,000. 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.

Table 1 :Project use of Funds (A$)

Use of Funds	Prospectus: Estimated Expenditure	Actual use from 8 June 2022 to quarter end	Variance
Phase 1 drilling	7,716,000	6,801,402	914,598
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	3,187,637	730,363
Costs of the Offer	1,737,000	1,406,949	330,051
Total	**18,853,000**	**11,788,629**	**7,064,371**

The variances are a result of the Company being admitted to the Official List on 8 June 2022; therefore, actual expenditure up to 31 March 2024 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 March 2024, Southern Palladium held approximately A$6.85 million (31 December 2023: A$8.34 million) in cash. This figure excludes cash held by the Company's related party, Miracle Upon Miracle Investments (Pty) Limited at 31 March 2024 of A$0.637 million (31 December 2023: A$0.566 million).

March 2024 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:

5-Jan-2024	Appointment of Roger Baxter
1-Feb-2024	Bengwenyama Project Scoping Study
3-Apr-2024	Prefeasibility Study advancing with +30,000m drilling completed

JORC Competent Persons Statement

Uwe Engelmann

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources 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.

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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.

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

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 tenement is 100% held through Miracle Upon Miracle (Pty) Ltd, the 70% subsidiary of SPD. On September 29, 2023, Southern Palladium submitted its application for a Mining Right (refer ASX Announcement 2 October 2023 - Bengwenyama Project Mining Right Application Submitted), which received official acceptance on 17 October 2023 from the Department of Mineral Resource and Energy (DMRE), . This marked the commencement official consideration of the Mining Right Application and of the Environmental Impact Assessment and expert studies, which are currently underway.

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)**	**Interest at beginning of quarter**	**Interest at end of quarter**
Nooitverwacht 324 KT	2,971.01	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 2**.

Table 2: 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.

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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 5: Platinum Group Metal + Gold Prill Split

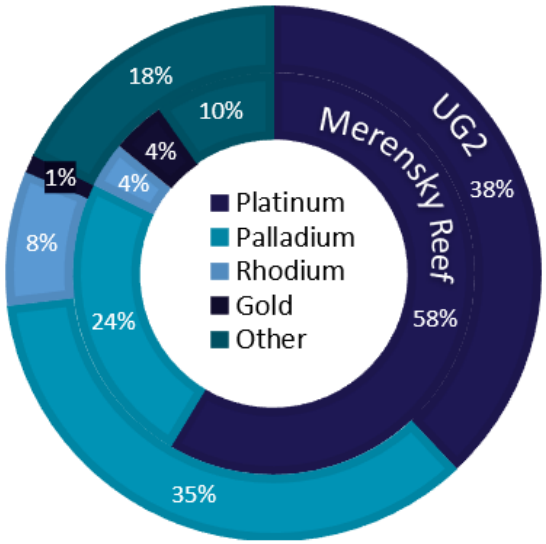
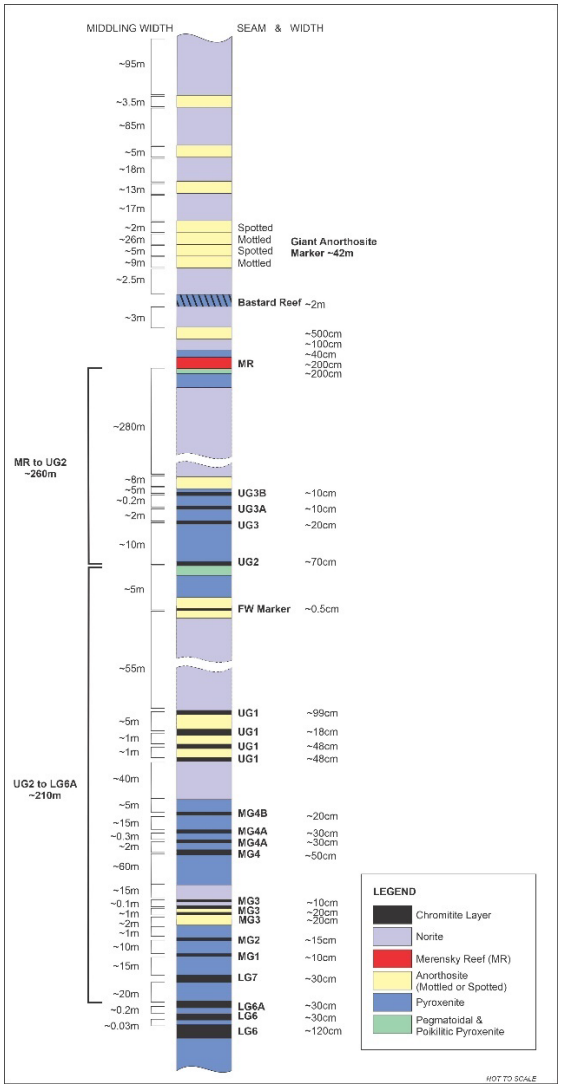


Figure 6: Project Stratigraphic Column (E056 and E057)



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-Mar-24

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (9 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	(70)	(152)
	(e) administration and corporate costs	(201)	(733)
1.3	Dividends received (see note 3)		
1.4	Interest received	58	212
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	(258)	(722)
1.9	**Net cash from / (used in) operating activities**	**(471)**	**(1,395)**

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	(1,022)	(3,303)
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	**Net cash from / (used in) investing activities**	**(1,022)**	**(3,303)**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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	8,343	11,548
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(471)	(1,395)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,022)	(3,303)
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**	**6,850**	**6,850**

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	1,850	2,343
5.2	Call deposits	5,000	6,000
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)**	**6,850***	**8,343**

** NOTE: This figure excludes cash held by the Company's related party, Miracle Upon Miracle Investments (Pty) Limited at 31 March 2024 of A$0.637 million (31 December 2023: A$0.566 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	116
6.2	Aggregate amount of payments to related parties and their associates included in item 2	306

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 A$422,000 was paid to related parties of the entities and their associates as follow:

- A$116,000 are in respect of Directors' fees, salaries and superannuation accruing to Directors' for services rendered during the period.

- A$306,000 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.

7	**Financing facilities**		

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	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)	(471)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(1,022)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,493)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,850
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,850
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	4.6

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.

Compliance statement

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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: 30 April 2024

Authorised by: The 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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