SOUTHERN PALLADIUM
A PLATINUM GROUP METALS COMPANY

24 November 2025

Bengwenyama Project Update: Stage 1 development fast-tracked with planning well advanced for a decline to intercept UG2 reef

Highlights:

- **Metallurgical sample drilling has commenced, with current UG2 drilling targeting slightly deeper zones (>80 m) in both the South and North Blocks to ensure a representative unoxidised sample - intersections to date align with expectations.**
- **Additional drilling planned for early 2026 on some of the shallower zones (<50–80 m) to confirm geological structure and rock competency.**
- **Surface geotechnical drilling and pitting completed at the North Decline and Plant Site, with further drilling continuing at the TSF (tailings storage facilities) and Southern Decline to support decline and infrastructure design.**
- **Delivery of Stage 1 development on track, with optimised decline designs, belt-way integration, and continued progress across operational readiness workstreams.**
- **Project delivery and processing options progressing, including evaluation of a hybrid EPC/EPCM model and assessment of third-party treatment options for the early years versus an SPD-owned facility from the outset.**
- **A structured transition from the Project Team to a Mine Operations Team defined. The company will look to appoint a Project Manager in the near-term.**
- **All conditions under Section 23 of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) for the granting of the Mining Right now fulfilled; SPD remains closely engaged with regulators to expedite the final approval process.**

Southern Palladium (ASX:SPD and JSE:SDL), 'Southern Palladium' or 'the Company') Southern Palladium Limited ("Southern Palladium" or "the Company") is pleased to provide a progress update on recent activities as part of the Definitive Feasibility Study ("DFS") and ongoing drill programmes at the Bengwenyama Platinum Group Metals (PGM) Project.

Managing Director Johan Odendaal, said: "*Southern Palladium continues to make strong and steady progress across all fronts of the Definitive Feasibility Study. The metallurgical and geotechnical drilling programme marks a significant milestone for the Bengwenyama Project, and initial results — including consistent UG2 reef intersections at shallow depths — reinforce our confidence in the robustness of the orebody.*

The Southern Palladium board has decided to accelerate development of the Southern Decline aimed at intersecting the shallow portion of the UG2 reef. This will assist in significantly derisking near-term project development and facilitate future financing options. The Company remains fully funded to complete the DFS works program and advance to a Final Investment Decision for Stage 1 mine development in accordance with the optimised Pre-Feasibility Study.

We continue to assess delivery models that will ensure an efficient transition from project development into future operations, including the evaluation of both third-party treatment and SPD-owned processing options."

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DFS Drill Programme

DFS Drilling and Geotechnical Programme

DFS works have been led by the commencement of a detailed metallurgical and geotechnical drilling programme. A total of 62 drillholes and 57 deflections, totalling 10,863 metres, are planned for the programme.

Seven drill rigs are currently deployed, with drilling focussed on obtaining a 140kg bulk UG2 sample for definitive metallurgical test work.

Figure 1: Atlas Copco CS1500 Drill Rig undertaking metallurgical sampling

The current UG2 drilling is targeting slightly deeper zones (>80 m) in both the South and North Blocks to ensure a representative unoxidised sample. The intersections in the boreholes drilled to date align with expectations.

Additional drilling for early 2026 is planned on some of the shallower zones (<50–80 m) to confirm geological structure and rock competency.

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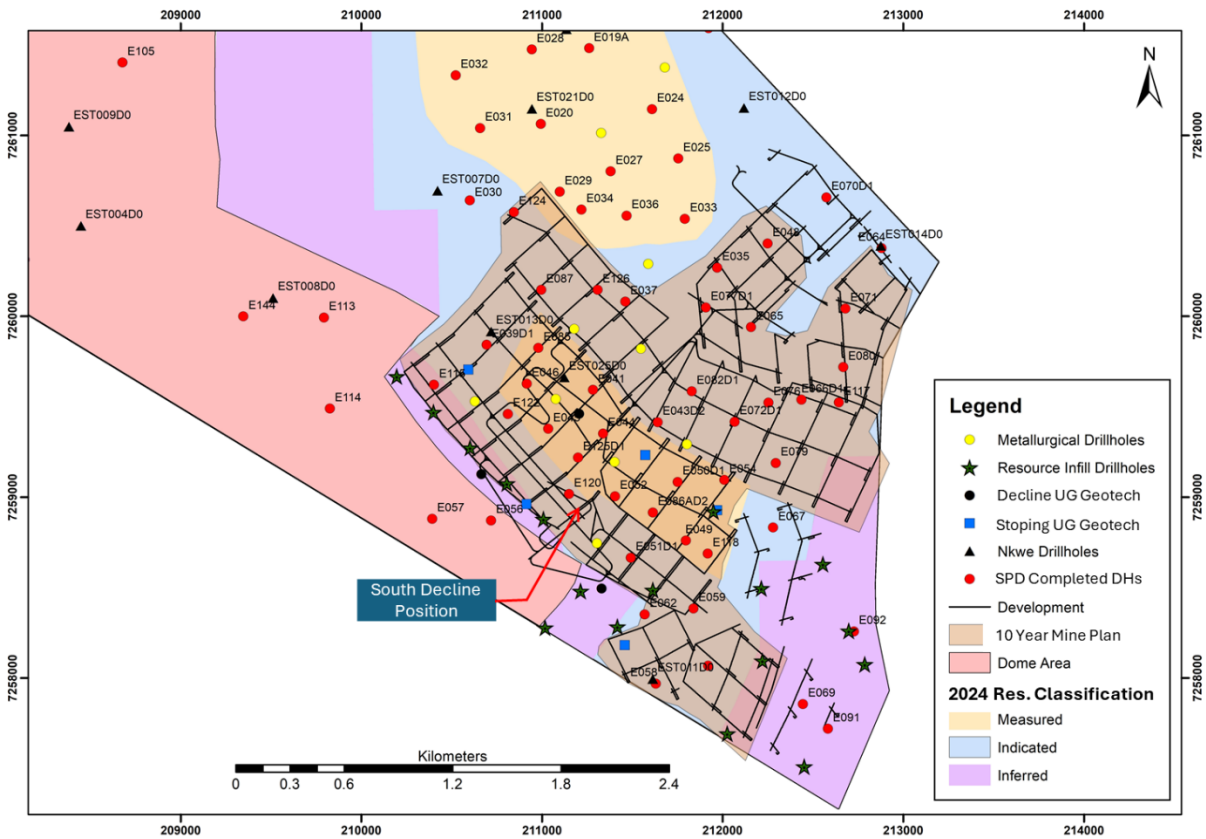

Figure 2: DFS Drill Programme- planned drillholes and Stage 1 mine overlay

Surface Geotechnical Investigation

A near-surface geotechnical pitting investigation at the Southern Decline site was completed in November 2025 (figure 3). During this programme, 18 test pits were excavated with logs prepared in accordance with SAICE and SAIEG standards. Seventeen soil samples were collected for laboratory analysis, after which all test pits were backfilled and levelled.

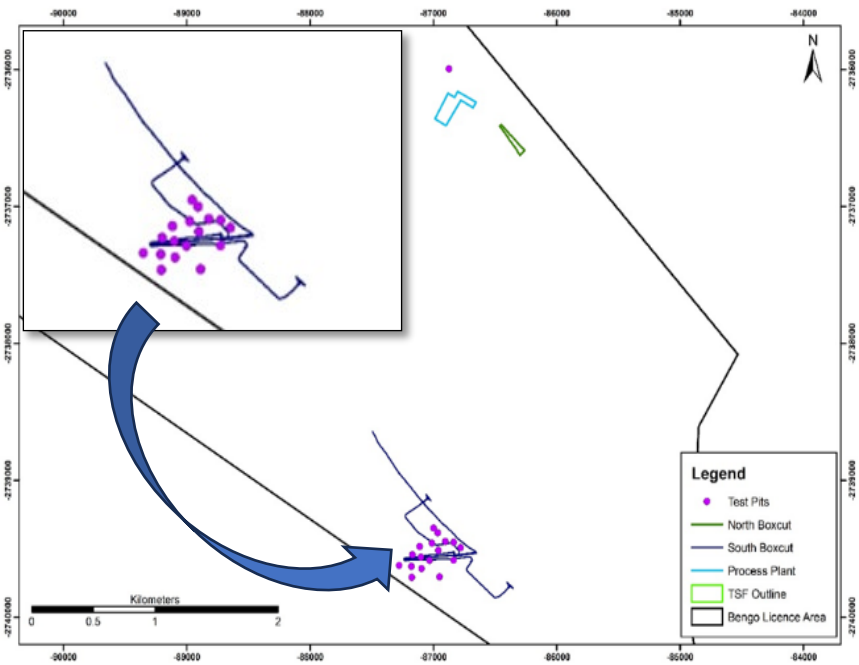

Figure 3: Test Pit Locations South Decline

Surface geotechnical drilling at the Southern decline has now commenced following the completion of the surface geotechnical drilling at the North Decline and Plant sites. The North Decline and Plant site surface geotechnical drilling consisted of 13 drillholes (figure 4 with depths between 25m and 50m).

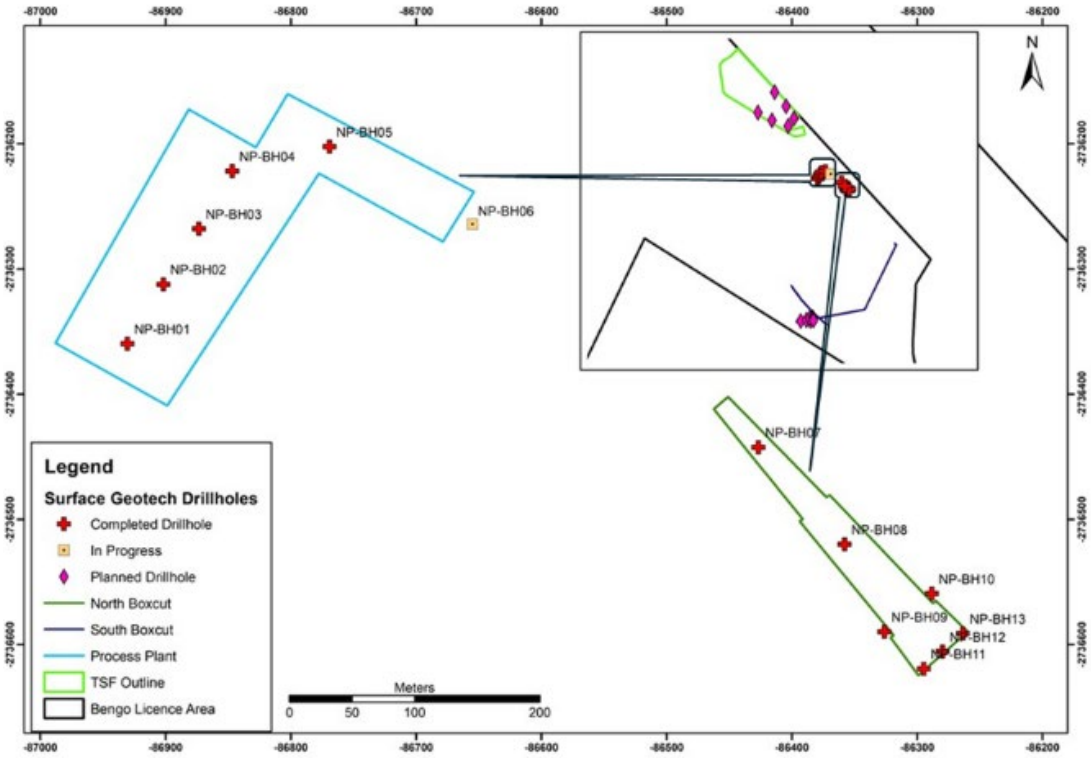

Figure 4: Surface drillholes in the North Decline area

The surface geotechnical drilling and pitting will be completed in December 2025.

DFS Technical Progress

Significant technical study workstreams continued during the quarter across multiple fronts to ensure early development (Stage 1) remains on track. This phase will include establishing the South Site, constructing the South Box-Cut, and developing the South Decline down to reach the first UG2 reef intersection.

The DFS continues to be supported by a suite of technical service providers, including EcoElementum, RMProcess, OHMS Engineering, EIC/Electrical, MVB Consult, Minxcon and OMI, spanning geotechnical, metallurgy, infrastructure, water, electrical, mining, and environmental disciplines.

Operational readiness also progressed, supported by ongoing work on explosives licensing, supply and storage compliance, development of operating procedures and Codes of Practice (COPs), and planning for security and medical screening requirements.

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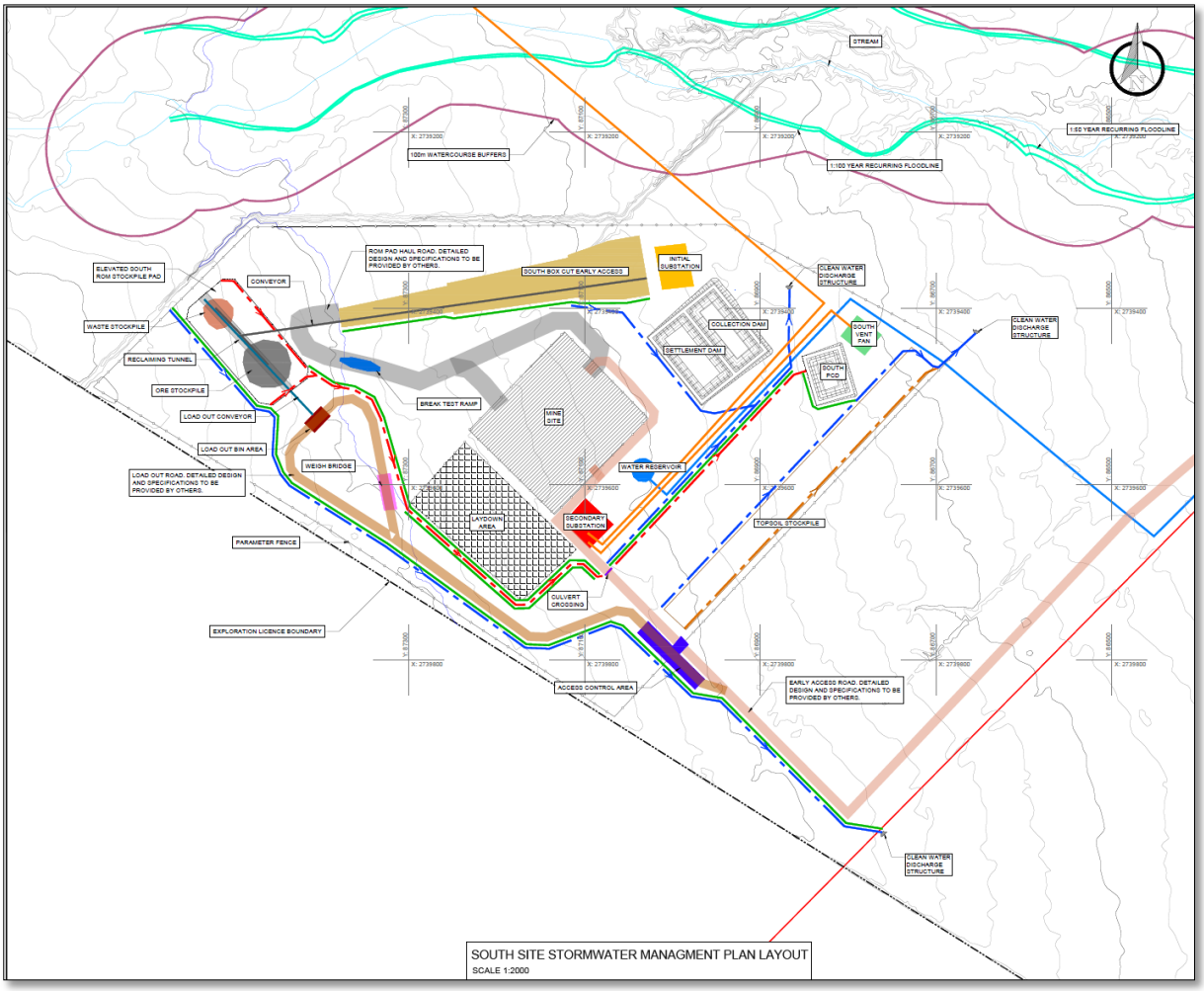

Figure 5: DFS Stage 1 – South Decline Minesite planning

Regarding project delivery, a hybrid EPC/EPCM model is under consideration, incorporating mining contractor involvement and specialist support where appropriate. Two processing options for the early years of production remain under evaluation: toll treatment via a third party or the construction of an SPD-owned processing facility.

Organisational planning also moved forward, with the planned commissioning of key senior operational roles planned to include the appointment of a Project Manager. A structured transition from the Project Team to the Mine Operations Team has been defined.

Mining Right Update

In early October, Southern Palladium lodged its Environmental Guarantee with the Department of Mineral and Petroleum Resources (DMPR), fulfilling a key requirement under mine development and rehabilitation financial provision regulations (*refer ASX Announcement 7 October 2025*). The guarantee amount of ZAR 91 million covers the rehabilitation provision for both Stage 1 and Stage 2.

The Company has now met all outstanding conditions under Section 23 of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) for the granting of a Mining Right. The granting of the Mining Right remains an important value catalyst, and Southern Palladium is actively and directly engaged with both regional and head office structures to expedite the process.

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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. Minxcon provides geological consulting services to Southern Palladium Limited. Mr van Heerden has sufficient experience that is 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr. van Heerden has a beneficial interest in Southern Palladium through a shareholding in Nicolas Daniel Resources Proprietary Limited.

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