30 January 2026

ASX:SPD, JSE:SDL

ACN: 646 399 891

Corporate Directory

Executive Chairman
Roger Baxter

Managing Director
Johan Odendaal

Non-Executive Directors
Mike Stirzaker
Rob Thomson
Daan van Heerden
Lindi Nkosi-Thomas

Company Secretary
Andrew J. Cooke

Top 5 Shareholders

Robert Napier Keith
Nicolas Daniel Resources Pty Ltd
Nurinox Investments Pty Ltd
Legacy Platinum Corporation
SG Hiscock & Co

Company Overview

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

Contact:

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

Quarterly Activities Report for 31 December 2025

DECEMBER QUARTER HIGHLIGHTS

Operational:

- **Advancement of Definitive Feasibility Study (DFS) works programme at Bengwenyama, with drilling for metallurgical assays completed and geotechnical drilling progressing across the South block.**
- **Surface geotechnical drilling and pitting across the North Decline, Southern Decline and plant site areas to inform infrastructure and decline design completed.**
- **Stage 1 mine development planning accelerated, with detailed optimisation of decline designs to intercept the shallow UG2 reef and support early de-risking of project development.**

  All documentation required under Section 23 of the Mineral and Petroleum Resources Development Act (MPRDA) has now been submitted, positioning the Company for Mining Right approval.

Regulatory & Permitting

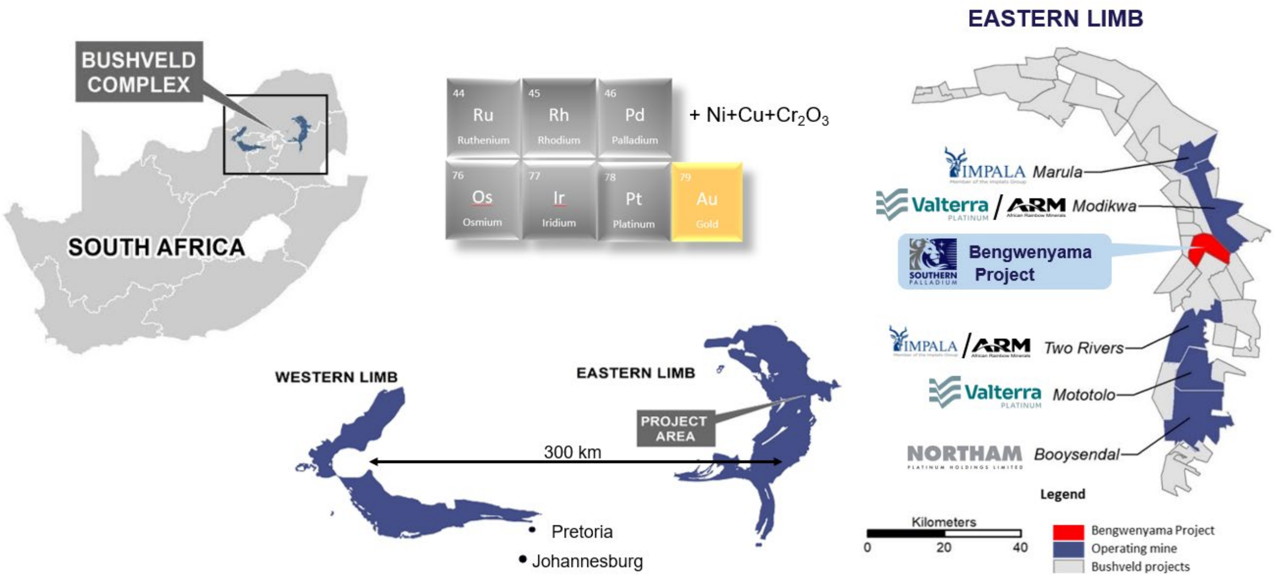
- **Lodgement of the Environmental Guarantee in compliance with South African mine rehabilitation and financial provision regulations, marking a further key milestone toward Mining Right approval.**
- **Continued close engagement with regulators at both regional and national levels to expedite the final granting of the Mining Right.**

Corporate:

- **Successful completion of a A$20 million two-tranche placement at $1.10 per share, supported by a cornerstone investment from the Company's largest shareholder and new global institutional investors.**
- **Strengthened balance sheet provides full funding to complete DFS works, progress early mine development activities (subject to permitting) and advance the Bengwenyama Project towards a Final Investment Decision (FID).**
- **Cash balance of A$22.58 million (30 September 2025: A$6.90 million) excludes cash held by the Company's 70% subsidiary, Miracle Upon Miracle Investments (Pty) Limited at 31 December 2025 of A$0.95 million (30 September 2025: A$0.54 million).**

Southern Palladium Executive Chairman, Roger Baxter, commented: "*The December quarter has been an important period of value creation for Southern Palladium, with the Bengwenyama PGM Project continuing to demonstrate its credentials as one of the highest-quality PGM developments globally. We are making strong progress across the Definitive Feasibility Study and early mine planning workstreams, while also advancing key regulatory milestones that position the Company for near-term receipt of the Mining Right. The successful A$20m capital raising has materially strengthened our balance sheet and ensures we are fully funded to unlock the next phase of development, including accelerating DFS activities and preparing for a Final Investment Decision. This operational momentum, combined with supportive PGM market fundamentals, has been reflected in our recent share price performance and growing institutional interest in the Company. Having just represented Southern Palladium at the Future Minerals Forum in Saudi Arabia earlier this month, it's clear there is a strong global appetite for high-quality, responsibly developed critical mineral projects. Alongside a busy international engagement schedule, our team remains firmly focused on execution at Bengwenyama Platinum as we work to unlock the full value of this exceptional asset for shareholders and community stakeholders in 2026."*

Southern Palladium (ASX: SPD, "Southern Palladium" or the "Company") is pleased to report on its quarterly activities summary for the three months ended 31 December 2025.



During the quarter, Southern Palladium made several key advancements on its mine development strategy for the Bengwenyama PGM (platinum group metals) project, in which it holds a direct 70% stake. The project is strategically positioned in the heart of the world class Bushveld Complex – the largest source of PGMs globally – in a significant underground mining region with well-established expertise, services and critical infrastructure.

Note:
7E or 6E+Au in this document refers to platinum, palladium, rhodium, ruthenium, iridium, osmium and gold.
6E or 5E+Au refers to platinum, palladium, rhodium, ruthenium, iridium and gold and;
4e or 3E+Au refers to platinum, palladium, rhodium and gold

Overview of December Quarter Activities

During the December 2025 quarter, Southern Palladium continued to make strong progress across technical, regulatory and corporate workstreams as it advances the Bengwenyama PGM project toward development. The quarter was characterised by the acceleration of the DFS drilling and engineering activities, further de-risking of Stage 1 mine development and the successful execution of a strategic capital raising that positions the Company to progress confidently towards a Final Investment Decision in 2026.

DFS Drilling and Metallurgical Programme

Metallurgical sample drilling continued during the quarter, targeting unoxidised UG2 reef zones (>80 metres) across both the South and North Blocks to ensure the collection of representative bulk samples for definitive metallurgical test work. Intersections achieved to date have aligned with geological expectations, reinforcing confidence in the continuity and quality of the UG2 reef.

Additional Geotechnical drilling has been planned for early 2026 across shallower zones (<50–80 metres) to better define the dome structure border in the south and further confirm geological structure and rock competency, supporting final decline and mine designs.

Surface Geotechnical Investigations

Surface geotechnical drilling and pitting programmes were completed during the quarter across key infrastructure locations, including the North Decline, Southern Decline and plant site areas. These programmes are providing critical inputs into civil design, decline positioning and infrastructure layout for Stage 1 mine development.

Stage 1 Development Planning

Planning for Stage 1 development was fast-tracked during the quarter, with optimisation of decline positioning, designs, belt-way integration and infrastructure layouts progressing in parallel with DFS studies. Southern Palladium also continued to assess project delivery models, including a hybrid EPC/EPCM approach, and evaluated early-year processing options, including third-party concentrator treatment versus an SPD-owned processing facility.

Operational readiness activities progressed across explosives licensing, operating procedures, security and workforce planning, with a structured transition from the Project Team to a future Mine Operations Team defined. The Company expects to appoint a Project Manager and Underground Manager in the near term to support this transition.

Environmental Guarantee and Mining Right Progress

In October 2025, Southern Palladium lodged its Environmental Guarantee with the Department of Mineral and Petroleum Resources, fulfilling a key financial provision requirement associated with mine development and rehabilitation obligations. The guarantee represents an important regulatory milestone and follows the successful completion of the Environmental Authorisation process earlier in the year.

With the Environmental Guarantee now in place, all outstanding conditions under Section 23 of the MPRDA have been satisfied. The Company remains actively engaged with regulatory authorities to expedite the final granting of the Mining Right, which is expected to represent a significant value catalyst for the Bengwenyama Project.

Strategic Capital Raise

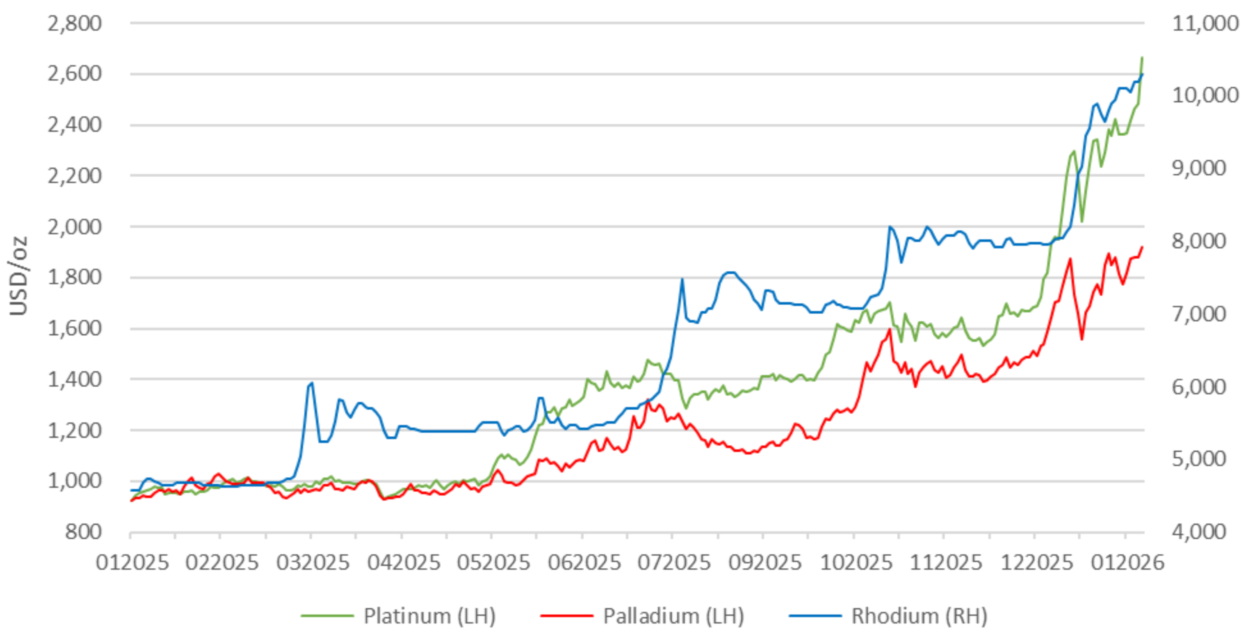
During the quarter, Southern Palladium received firm commitments for a two-tranche placement of 18.18 million shares at A$1.10 per share to raise A$20 million before costs, with a cornerstone investment of one of the Company's largest shareholders and the addition of new offshore institutional investors to the register. The Placement was accompanied by a Share Purchase Plan (SPP) of up to A$1 million to allow retail shareholders to participate on equal terms.

The capital raising materially strengthens the Company's balance sheet and provides full funding to complete the DFS, progress early mine development activities (including decline development, subject to permitting), and advance the Bengwenyama Project toward a Final Investment Decision.

Supportive PGM Fundamentals

The platinum group metals (PGM) basket was one of the best performing commodities in 2025, led by material price increases for platinum (+120%), palladium (+64%), rhodium (+97%) and ruthenium (+158%).

Figure 1: Platinum, Palladium and Rhodium Price Performance



In its December research report, the World Platinum Investment Council said the platinum market was expected to record its third consecutive significant annual deficit in 2025, resulting in a further depletion of above ground stocks (AGS) to only five months of demand cover. Over the medium-term, the WPIC forecast that supply conditions are expected to remain challenged through to 2030, with elevated lease rates (costs to borrow metal) and backwardation in the London over-the-counter (OTC) market further highlighting tight market conditions.

As of January 2026, the current spot basket PGM price is 89% (USD2,942/oz) higher than the conservative price assumptions (USD1,557/oz) used in Southern Palladium's Optimised Pre-Feasibility Study, which valued the Bengwenyama project at US$857m (~A$1.3bn). Applying the OPFS prices, every 15% move in the PGM price basket equates to an approximate US$200 million move in the real post tax NPV, underpinning attractive valuation metrics as the Company advances project development.

March 2026 Quarter Planned Activities

- Submission of representative samples for metallurgical test work.
- Ongoing evaluation of processing and offtake options to optimise overall project economics.
- Appointment of a Commercial Manager, effective 1 February 2026.
- Appointment of a Project Manager and Underground Mining Manager.
- Issuance of requests for proposals to contractors for early box cut and decline development works.
- Procurement of an independent, audit-style review of the DFS, Mineral Resource and Ore Reserve estimates.

Corporate

Expenditure Summary

For the purpose of ASX Listing Rule 5.3.1, payments for exploration, evaluation and development during the quarter totalled A$1,972,487 (30 September 2025: A$1,069,016). Details of activities undertaken during the quarter are as described in this report.

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

Item	4Q25	3Q25
Assays & Analysis	**21,291**	-
Environmental, social and labour plan	**561,561**	**508,910**
Exploration Management	**262,822**	**66,046**
Surface Right Usage	**13,542**	**13,196**
Technical Studies	**122,107**	**282,703**
Drilling	**991,164**	**198,161**
Grand Total	**1,972,487**	**1,069,016**

Table 1: Detailed summary of expenditure incurred for exploration, evaluation and development

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$262,000. 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$412,000. 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$2,421,000. The payments were in respect of expenses incurred for the Bengwenyama Project and corporate expenses.

Cash

As at 31 December 2025, Southern Palladium held approximately A$22.58 million (30 September 2025: A$6.90 million) in cash. This figure excludes cash held by the Company's 70% subsidiary, Miracle Upon Miracle Investments (Pty) Limited at 31 December 2025 of A$0.95 million (30 September 2025: A$0.54 million.)

December 2025 Quarter – ASX Announcements

This 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:

7 October 2025	Receipt of Environmental Guarantee
20 October 2025	A$20m Placement to Accelerate Bengwenyama PGM Project
27 October 2025	Annual Report to Shareholders
19 November 2025	Completion of Share Purchase Plan
24 November 2025	Bengwenyama Project Update – Stage 1 Development Fast-Tracked
9 December 2025	Appendix 3Y – Change of Director's Interest Notice: Roger Baxter
9 December 2025	Appendix 3Y – Change of Director's Interest Notice: Johan Odendaal
9 December 2025	Appendix 3Y – Change of Director's Interest Notice: Mike Stirzaker
9 December 2025	Appendix 3Y – Change of Director's Interest Notice: Robert Thomson
9 December 2025	Appendix 3Y – Change of Director's Interest Notice: Daan van Heerden
9 December 2025	Appendix 3Y – Change of Director's Interest Notice: Lindi Nkosi-Thomas SC

Compliance Statement

The information in this presentation relating to the Optimised Prefeasibility Study is extracted from the ASX Announcement “Optimised Prefeasibility Study: Project NPV of US$857m with Improved Fundability Through Staged Development” dated 10 July 2025 and is available on the Company’s website at: https://www.southernpalladium.com/investor-centre/asx-announcements/

The Company confirms that all material assumptions underpinning the forecast financial information derived from the production target assumed in the OPFS continue to apply and have not materially changed.

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. 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 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.

This announcement has been approved for release by the Board of Southern Palladium Limited.

For further information, please contact:
Johan Odendaal
Managing Director, Southern Palladium
Phone: +27 82 557 6088
Email: johan.odendaal@southernpalladium.com

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

Company website

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 of the 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.

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

Name of entity

Southern Palladium Limited

ABN	Quarter ended ("current quarter")
59 646 391 899	**31-Dec-25**

	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	(161)	(277)
	(e) administration and corporate costs	(469)	(862)
1.3	Dividends received (see note 3)		
1.4	Interest received	61	124
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	(542)	(802)
1.9	**Net cash from / (used in) operating activities**	**(1,111)**	**(1,817)**

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	(1,972)	(3,041)
	(e) investments	(82)	(82)
	(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 Miracle Upon Miracle Pty Ltd	175	(529)
2.4	Dividends received (see note 3)		.
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,879)**	**(3,652)**

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)	20,065	20,065
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	(1,393)	(1,937)
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**	**18,672**	**18,128**

4	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,896	9,919
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,111)	(1,817)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,879)	(3,652)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18,672	18,128
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**22,578***	**22,578**

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	10,728	46
5.2	Call deposits	11,850	6,850
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)**	**22,578***	**6,896**

* NOTE: This figure excludes cash held by the Company's related party, Miracle Upon Miracle Investments (Pty) Limited at 31 December 2025 of A$0.95 million (30 September 2025: A$0.54 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	262
6.2	Aggregate amount of payments to related parties and their associates included in item 2	412

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 $674,000 was paid to related parties of the entities and their associates as follow:

- $262,000 are in respect of Directors' fees, salaries and superannuation accruing to Directors' for services rendered during the period.

- $412,000 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 *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)	(1,111)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,972)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,083)
8.4	Cash and cash equivalents at quarter end (item 4.6)	22,578
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	22,578
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	7.3

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

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 January 2026

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.